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SANSTAR LIMITED
CORPORATE IDENTITY NUMBER: U15400GJ1982PLC072555

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Sanstar House, near Parimal Under Bridge, opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India.	Fagun Harsh Shah, Company Secretary and Compliance Officer	Telephone: +91 79 26651819 Email: cs@sanstar.in	https://www.sanstar.in/

OUR PROMOTERS: GOUTHAMCHAND SOHANLAL CHOWDHARY, SAMBHAV GAUTAM CHOWDHARY AND SHREYANS GAUTAM CHOWDHARY

DETAILS OF THE OFFER TO THE PUBLIC				
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	Up to 41,800,000 [^] Equity Shares of face value ₹2/- each aggregating upto ₹ [●] million	Up to 11,900,000 [^] Equity Shares of face value ₹2/- each aggregating upto ₹ [●] million	Up to 53,700,000 [^] Equity Shares of face value ₹2/- each aggregating up to ₹ [●] million.	The Offer is being made with compliance to Regulation 6(1) of the SEBI ICDR Regulations. For further details, please refer to chapter titled "Other Regulatory and Statutory Disclosures – Eligibility for the Offer" on page 405.

DETAILS OF OFFER FOR SALE			
NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED AND AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE OF FACE VALUE ₹2/- EACH (IN ₹) [*]
Gouthamchand Sohanlal Chowdhary	Promoter Selling Shareholder	Up to 500,000 Equity Shares aggregating up to ₹ [●] million.	2.17 [*]
Rani Gouthamchand Chowdhary	Promoter Group Selling Shareholder	Up to 3,800,000 Equity Shares aggregating up to ₹ [●] million.	1.80 [*]
Sambhav Gautam Chowdhary	Promoter Selling Shareholder	Up to 500,000 Equity Shares aggregating up to ₹ [●] million.	0.35 [*]
Shreyans Gautam Chowdhary	Promoter Selling Shareholder	Up to 500,000 Equity Shares aggregating up to ₹ [●] million.	0.34 [*]
Richa Sambhav Chowdhary	Promoter Group Selling Shareholder	Up to 3,300,000 Equity Shares aggregating up to ₹ [●] million.	0.70 [*]
Samiksha Shreyans Chowdhary	Promoter Group Selling Shareholder	Up to 3,300,000 Equity Shares aggregating up to ₹ [●] million.	0.44 [*]

THE FLOOR PRICE IS ₹ 90 PER EQUITY SHARE WHICH IS 45 TIMES OF THE FACE VALUE AND THE CAP PRICE IS ₹ 95 PER EQUITY SHARE WHICH IS 47.50 TIMES OF THE FACE VALUE. THE MINIMUM BID LOT IS 150 EQUITY SHARES AND IN MULTIPLES OF 150 EQUITY SHARES THEREAFTER.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹2/- each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with the SEBI ICDR Regulations, and as stated in chapter titled "Basis for Offer Price" on page 128, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, 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 this Red Herring Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" on page 34 of this Red Herring Prospectus.

OUR COMPANY'S AND SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders severally and not jointly accept responsibility for and confirms only those statements specifically made or confirmed by the respective Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to him/her or his/her respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assumes no responsibility for any other statements, disclosures or undertaking in this Red Herring Prospectus, including, inter alia, any and all of the statements, disclosures or undertaking made by or relating to our Company or its business or any other Selling Shareholder.

LISTING


The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited ("NSE"). For the purposes of the Offer, NSE is the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 491 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER



PANTOMATH
Pantomath Capital Advisors Private Limited
Registered Office: Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400 072, Maharashtra, India.
Telephone: 18008898711
Email: sanstar.ipo@pantomathgroup.com
Investor Grievance Id: investors@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Ritu Agarwal/ Kaushal Patwa
SEBI Registration No: INM0000112110

REGISTRAR TO THE OFFER



LINKIntime
Linkintime India Private Limited
Registered Office: C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, Maharashtra, India.
Telephone: +91 8108114949
Email and Investor Grievance Id: sanstar.ipo@linkintime.co.in
Website: www.linkintime.com
Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	Thursday, July 18, 2024 ⁽¹⁾
BID/OFFER OPENS ON	Friday, July 19, 2024 ⁽¹⁾
BID/OFFER CLOSES ON	Tuesday, July 23, 2024 ⁽²⁾⁽³⁾

⁽¹⁾Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors Bid/Offer period shall be one Working Day prior to the Bid/Offer Opening Date.

⁽²⁾Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Manager, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

*As certified by M/s. Nahta Jain & Associates, independent chartered accountants, pursuant to their certificate dated May 21, 2024.

[^]Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of Offer Price.



SANSTAR LIMITED

Our Company was originally incorporated as 'Continental Papers Limited' under the Companies Act, 1956, as a public limited company, pursuant to the certificate of incorporation dated February 26, 1982 issued by the Registrar of Companies, Delhi & Haryana. The name of our Company was subsequently changed to 'Sanstar Limited', pursuant to resolution passed by the board of directors on March 9, 2012 and approved by the shareholders in their EGM held on March 16, 2012 and a fresh certificate of incorporation dated April 2, 2012, consequent upon change of name was issued by the Registrar of Companies, Delhi & Haryana. For further details on the changes in the name and registered office of our Company, please refer to chapter titled "History and Certain Corporate Matters" on page 262 of this Red Herring Prospectus.

Registered Office: Sanstar House, near Parimal Under Bridge, opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India. **Telephone:** +91 79 26651819

Contact Person: Fagun Harsh Shah, Company Secretary and Compliance Officer; **Email:** cs@sanstar.in **Website:** <https://www.sanstar.in/>

Corporate Identity Number: U15400GJ1982PLC072555

OUR PROMOTERS: GOUTHAMCHAND SOHANLAL CHOWDHARY, SAMBHAV GAUTAM CHOWDHARY AND SHREYANS GAUTAM CHOWDHARY.

INITIAL PUBLIC OFFER OF UP TO 53,700,000[^] EQUITY SHARES OF FACE VALUE ₹2/- EACH ("EQUITY SHARES") OF SANSTAR LIMITED FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE"), AGGREGATING UP TO ₹ [●] MILLION COMPRISING OF A FRESH ISSUE OF UP TO 41,800,000[^] EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 11,900,000[^] EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION COMPRISING OF 500,000 EQUITY SHARES BY GOUTHAMCHAND SOHANLAL CHOWDHARY AGGREGATING UP TO ₹ [●] MILLION, 3,800,000 EQUITY SHARES BY RANI GOUTHAMCHAND CHOWDHARY AGGREGATING UP TO ₹ [●] MILLION, 500,000 EQUITY SHARES BY SAMBHAV GAUTAM CHOWDHARY AGGREGATING UP TO ₹ [●] MILLION, 500,000 EQUITY SHARES BY SHREYANS GAUTAM CHOWDHARY AGGREGATING UP TO ₹ [●] MILLION, 3,300,000 EQUITY SHARES BY RICHA SAMBHAV CHOWDHARY AGGREGATING UP TO ₹ [●] MILLION AND 3,300,000 EQUITY SHARES BY SAMIKSHA SHREYANS CHOWDHARY AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 2/- EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE OFFER WILL CONSTITUTE [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. THE PRICE BAND AND THE MINIMUM BID LOT AS DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM, WILL BE ADVERTISED IN ALL EDITIONS OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND AHMEDABAD EDITION OF PRABHAT (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

[^]Subject to the finalization of basis of allotment

DETAILS IN RELATION TO FLOOR PRICE, CAP PRICE AND MINIMUM BID LOT

THE FLOOR PRICE IS ₹ 90 PER EQUITY SHARE WHICH IS 45 TIMES OF THE FACE VALUE AND THE CAP PRICE IS ₹ 95 PER EQUITY SHARE WHICH IS 47.50 TIMES OF THE FACE VALUE. THE MINIMUM BID LOT IS 150 EQUITY SHARES AND IN MULTIPLES OF 150 EQUITY SHARES THEREAFTER.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three (3) additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of ten (10) Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members, and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Sponsor Bank and other Designated Intermediaries, as applicable. In case of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLM may for reasons recorded in writing, extend the Bid/Offer Period by at least three (3) additional working days subject to the total Bid/Offer Period not exceeding ten (10) Working Days. The Offer is being made in terms of Rule 19(2)(b) of SCRR, as amended, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). In the event of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, 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 Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("Non-Institutional Category") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("Retail Category"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of Equity Shares is ₹2/- each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the BRLM and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with the Schedule XIII of SEBI ICDR Regulations, and as stated in chapter titled "Basis for Offer Price" on page 128, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risks factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled "Risk Factors" on page 34 of this Red Herring Prospectus.

OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Selling Shareholders accept responsibility for and confirm the statements made by them in this Red Herring Prospectus to the extent of information specifically pertained to them and their respective portion of Offered Shares and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, disclosures or undertaking in this Red Herring Prospectus, including, inter alia, any and all of the statements, disclosures or undertaking made by or relating to our Company or its business or the other Selling Shareholder.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE Limited and NSE Limited. Our Company has received 'in-principle' approval from BSE Limited and the National Stock Exchange of India Limited ("NSE") for the listing of the Equity Shares of face value ₹2/- each pursuant to letters dated March 18, 2024 and March 18, 2024, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 491 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE OFFER



Pantomath Capital Advisors Private Limited

Registered Office: Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400 072, Maharashtra, India.

Telephone: 18008898711

Email: sanstar ipo@pantomathgroup.com

Investor Grievance Id: investors@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Ritu Agarwal/ Kaushal Patwa

SEBI Registration No: INM0000112110



Linkintime India Private Limited

Registered Office: C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, Maharashtra, India.

Telephone: +91 8108114949

Email and Investor Grievance Id: sanstar ipo@linkintime.co.in

Website: www.linkintime.com

Contact Person: Shanti Gopalkrishnan

SEBI Registration No: INR000004058

BID/OFFER PROGRAMME

ANCHOR INVESTOR BID/OFFER PERIOD

Thursday, July 18, 2024⁽¹⁾

BID/OFFER OPENS ON

Friday, July 19, 2024⁽¹⁾

OFFER CLOSES ON**

Tuesday, July 23, 2024⁽²⁾⁽³⁾

⁽¹⁾Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors Bid/Offer per day shall be one Working Day prior to the Bid/Offer Opening Date.

⁽²⁾Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Manager, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

[^]Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of Offer Price.

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SECTION 1 – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, offer related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.

Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Industrial Regulations and Policies”, “Statement of Tax Benefits”, “Financial Information”, “Basis for Offer Price”, “Outstanding Litigation and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” beginning on pages 144, 255, 139, 305, 128, 393 and 454 respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
“Our Company”/ “the Company”/ “Issuer”/ “Issuer Company”	Unless the context otherwise implies or expressly states, Sanstar Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office located at Sanstar House, Near Parimal Under Bridge, Opposite Suvidha Shopping Centre, Paldi, Ahmedabad– 380007, Gujarat, India together with erstwhile Sanstar Biopolymers Limited merged with our Company pursuant to order dated November 23, 2023 passed by NCLT, Ahmedabad.
“We”/ “us”/ “our”	Unless the context otherwise implies or expressly states, our Company.

Company and Selling Shareholders related terms

Term	Description
AoA/ Articles of Association or Articles	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Corporate Governance</i> ” on page 281.
Auditors/ Statutory Auditors	The statutory auditors of our Company, being M/s S.C. Bapna & Associates, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company, as described in “ <i>Our Management</i> ”, beginning on page 272.
Chairman and Managing Director	The chairman and managing director of the Company, being Gouthamchand Sohanlal Chowdhary.
Chief Financial Officer/CFO	Chief financial officer of our Company, being Harishkumar Shisupaldas Maheshwary.
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company, being Fagun Harsh Shah.
CSR Committee/ Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board, constituted in accordance with the Section 135 and other applicable provisions of the Companies Act, 2013, and as described in “ <i>Our Management – Corporate Governance</i> ” on page 281.

Term	Description
Dhule Facility	Manufacturing facility of our Company located at Sanstar, Gat No. 267, 268, 407/1, 407/2, 355/1, 355/2, 355/3, 356, 357, 358, 359, 360, 361 Village: Karvand, Shirpur Taluka, District, Dhule - 425 405.
Director(s)	Directors of our Board as described in “ <i>Our Management</i> ”, beginning on page 270.
D&B/ Dun & Bradstreet	Dun & Bradstreet Information Services (India) Private Limited.
Equity Shares	The equity shares of our Company of face value of ₹ 2/- each.
Executive Director(s)	Executive Directors of our Board, as described in “ <i>Our Management</i> ”, beginning on page 272.
ECL	Expression Commercial LLP
F&S/ Frost and Sullivan	Frost and Sullivan (India) Private Limited
F&S Report/Industry Report	The industry research report titled ‘ <i>Industry Report on Maize Based Speciality Products And Ingredient Solutions</i> ’ dated May 18, 2024 which is exclusively prepared and issued for the purpose of the Offer by Frost & Sullivan and commissioned and paid for by our Company. Frost & Sullivan was appointed by our Company exclusively for the purpose of the Offer. This report will be available on the website of our Company at https://www.sanstar.in/ from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.
Group Company(ies)	Group company(s) of our Company in accordance with the SEBI ICDR Regulations. For details, see “ <i>Our Group Companies</i> ” beginning on page 300.
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under Section 149(6) and Regulation 17 and other applicable provisions of the Companies Act and the SEBI Listing Regulations respectively. For details of the Independent Directors, please see “ <i>Our Management</i> ” on page 272.
IPO Committee	IPO committee of the Board of Directors, as described in “ <i>Our Management</i> ” on page 272.
Joint-Managing Director(s)	Joint-Managing Director(s) shall mean the joint-managing director(s) of our Board namely, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary.
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further disclosed in “ <i>Our Management</i> ” on page 272.
Kutch Facility	Manufacturing facility of our Company located at Survey no. 459, 460, 463/1 and 462 Village Morgar, Bhachau, Kutch – 370020, Gujarat, India.
Managing Director	The managing director of our Company, being Gouthamchand Sohanlal Chowdhary.
Manufacturing Facilities	Collectively the Dhule Facility and Kutch Facility
Materiality Policy	The policy adopted by our Board in its meeting held on December 29, 2023, for identification of material: (a) outstanding litigation proceedings; (b) creditors; and (c) group companies, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Draft Red Herring Prospectus, this Red Herring Prospectus and Prospectus.
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Corporate Governance</i> ” on page 281.
PCS	Practicing Company Secretary in terms of Company Secretaries Regulations, 1982 as amended from time to time
Promoters	The Promoters of our Company, being Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary. For further details, please see “ <i>Our Promoters and Promoter Group</i> ” on page 295.
Promoter Group	Such individuals and entities constituting the promoter group of our Company, pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 295.
Promoter Selling Shareholders	The Promoters of our Company offering certain portion of their shares for sale in the Offer for Sale, namely, Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary.

Term	Description
Promoter Group Selling Shareholders	The individuals belonging to the promoter group of our Company offering certain portion of their shares for sale in the Offer for Sale, namely, Rani Gouthamchand Chowdhary, Richa Sambhav Chowdhary and Samiksha Shreyans Chowdhary.
Registered Office	The registered office of our Company, located at Sanstar House, Near Parimal Under Bridge, Opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380007, Gujarat, India.
Restated Financial Restated Financial Information	Consolidated Statements/ Consolidated Restated consolidated financial statements of our Company comprises of the Restated consolidated statement of assets and liabilities as at Fiscal 2024 and Restated standalone statement of assets and liabilities as at Fiscal 2023 and Fiscal 2022, the Restated consolidated statements of profit and loss (including other comprehensive income) during Fiscal 2024, the Restated standalone statements of profit and loss (including other comprehensive income) during Fiscal 2023 and Fiscal 2022, the Restated consolidated statement of cash flows and the Restated consolidated statement of changes in equity for Fiscal 2024, the Restated standalone statement of cash flows and the Restated standalone statement of changes in equity for Fiscal 2023 and Fiscal 2022, read together with statement of significant accounting policies, annexures and notes thereto prepared in accordance with Ind AS and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.
RoC/Registrar of Companies	The Registrar of Companies, Ahmedabad
Selling Shareholders	Collectively the Promoter Selling Shareholders and Promoter Group Selling Shareholders.
Senior Management Personnel	Senior Management Personnel of our Company in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as further disclosed in “ <i>Our Management</i> ” on page 272.
Shareholder(s)	Shareholders of our Company, from time to time
Stakeholders Relationship Committee	Stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in “ <i>Our Management – Corporate Governance</i> ” on page 281.
Subsidiary	Subsidiary of our Company shall mean Expression Commercial LLP. For further details please check “ <i>Our Subsidiary</i> ” on page 270 of this Red Herring Prospectus.
TEV Report	Company commissioned Techno Economic Viability report dated December 30, 2023 issued by Dun & Bradstreet Information Services (India) Private Limited.
Transferor Company	Transferor Company shall mean erstwhile Sanstar Biopolymers Limited merged into our Company <i>vide</i> order dated November 23, 2023 passed by NCLT, Ahmedabad. For further details please refer to ‘ <i>Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years</i> ’ in the chapter titled ‘ <i>History and Certain Corporate Matters</i> ’ on page 264 of this Red Herring Prospectus.
‘Undertaking’/‘Transferor Company’s Undertaking’/‘Sanstar Biopolymers Limited’s Undertaking’	Shall mean and include the whole of the undertaking /business of the Sanstar Biopolymers Limited as a going concern, being carried on by Sanstar Biopolymers Limited and shall include (without limitation) (i) All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, membership of professional associations, other associations and clubs, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions (including but not limited to income-tax, excise duty, service tax (Goods and Service Tax) or customs, goods and service tax (Goods and Service Tax) and other incentives of any nature whatsoever, remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trade-marks and other rights and licenses including any applications in respect thereof, tenancy rights, leasehold rights, premises, ownership flats, hire purchase, lending arrangements, benefits of

Term	Description
	security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts, deeds, instruments, agreements and arrangements, powers, authorities, permits, registrations / licenses etc. including pertaining to expatriates, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, value added tax, sales tax, service tax, Goods and Service Tax etc.), tax benefits, tax losses, unabsorbed allowances, and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date; (ii) All the debts, present and future liabilities, payables, contingent liabilities, duties and obligations (including duties/ rights/ obligations under any agreement, contracts, applications, letters of intent or any other contracts) as on the Appointed Date; and (iii) All employees, if any, on the payrolls of the Transferor Company on the closing hours of the date immediately preceding the Effective Date i.e., November 23, 2023 as defined in Clause 4(k) in the Scheme of amalgamation entered into between our Company and Transferor Company under Companies Act, 2013 and approved by NCLT, Ahmedabad <i>vide</i> order dated November 23, 2023.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary (ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allot/ Allotted	Allotment/ Unless the context otherwise requires, allotment of Equity Shares pursuant to the Offer to the successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to all the Bidders who have bid in the Offer after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has bid for an amount of at least ₹ 100 million.
Anchor Allocation Price	Investor The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Offer Period in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM.
Anchor Application Form	Investor The application form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLM.

Term	Description
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out 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 accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder.
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
Banker(s) to the Company	Shall mean Karur Vysya Bank Limited, Federal Bank Limited and Citibank N.A.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” beginning on page 430.
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bidder	Any investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context may require.
Bid Lot	150 Equity Shares and in multiples of 150 Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Tuesday, July 23, 2024, which shall be published in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard, a widely circulated Hindi national daily newspaper and Ahmedabad edition of Prabhat, a widely circulated Gujarati newspaper, Gujarati being the regional

Term	Description
	<p>language of Gujarat, where our Registered Office is located, each with wide circulation.</p> <p>In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations.</p> <p>Our Company and Selling Shareholders in consultation with the Book Running Lead Manager may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being Friday, July 19, 2024, which shall be published in all editions of Business Standard, an widely circulated English national daily newspaper, all editions of Business Standard, a widely circulated Hindi national daily newspaper and Ahmedabad edition of Prabhat, a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation.</p>
Bid/ Offer Period	<p>Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of this Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company and Selling Shareholders in consultation with the Book Running Lead Manager considers closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days.</p>
Book Building Process	<p>Book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.</p>
Book Running Lead Manager/ BRLM	<p>The book running lead manager to the Offer, being Pantomath Capital Advisors Private Limited.</p>
Broker Centres	<p>Broker centres notified by Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time</p>
CAN/Confirmation of Allocation Note	<p>Notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date.</p>
Cap Price	<p>The higher end of the Price Band, i.e., ₹ 95 per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof.</p>

Term	Description
Cash Escrow and Sponsor Bank Agreement	Agreement dated July 6, 2024 entered into and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank and Refund Bank(s) in accordance with UPI Circulars, for inter alia, the appointment of the Sponsor Bank in accordance, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Circular on Streamlining of Public Offers/ UPI Circular	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of the Stock Exchanges.
Cut-off Price	The Offer Price, as finalized by our Company in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
Designated Locations	CDP Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s) or the Refund Account(s), as the case may be, in terms of this Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.

Term	Description
	In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs, SCSBs and RTAs.
	In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs
Designated branches	SCSB Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Designated Locations	RTA Such locations of the RTAs where Bidders (other than Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
Designated Exchange	Stock National Stock Exchange of India Limited
Draft Red Herring Prospectus/ DRHP	The draft red herring prospectus dated January 01, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer and including any addenda or corrigenda thereto.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an Offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI(s)	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdiction outside India where it is not unlawful to make an issue or invitation under the Offer and in relation to whom this Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
Escrow Bank(s)	Collection The Bank(s) which are clearing members and registered with SEBI as bankers to an Offer under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited.
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, i.e., ₹ 90 subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
Fraudulent Borrower	A company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI.
Fugitive Offender	Economic An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
Fresh Issue	Fresh issue of up to 41,800,000 Equity Shares aggregating up to ₹ [●] million by our Company.
General Information Document / GID	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be

Term	Description
	available on the websites of Stock Exchanges and the Book Running Lead Manager.
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company.
ISIN	International Securities Identification Number. In this case being INE08NE01025 .
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Minimum Promoters Contribution	Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter that shall be locked-in for a period of 3 years from the date of Allotment. For details regarding the Minimum Promoters' Contribution, please refer to chapter titled " <i>Capital Structure</i> " beginning on page 93.
Monitoring Agency	Acuite Ratings & Research Limited
Monitoring Agency Agreement	Agreement dated June 25, 2024 entered into between our Company and the Monitoring Agency
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by Bidders to submit Bids using the UPI Mechanism
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	Up to 5% of the Net QIB Portion, or 537,000 Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the offer Price
Net Proceeds	The gross proceeds from the Offer less Offer related expenses applicable to the Offer. For further information please refer to chapter titled " <i>Objects of the Offer</i> " on page 111.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Investors/ NIIs or Non-Institutional Bidders or NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion / NIBs	The portion of the Offer being not less than 15% of the Offer, consisting of 8,055,000 Equity Shares, of which: (i) one-third shall be reserved for Bidders with Bids more than ₹ 200,000 and up to ₹ 1000,000; and (ii) two-third shall be reserved for Bidders with Bids more than ₹ 1000,000 subject to valid Bids being received at or above the Offer Price.
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
Offer	The initial public offering of up to 53,700,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of 41,800,000 Equity Shares aggregating upto ₹ [●] million by our Company and an Offer For Sale of upto 11,900,000 Equity Shares aggregating upto ₹ [●] million, by the Selling Shareholders.
Offer Agreement	The agreement dated December 29, 2023 as amended pursuant to supplementary agreement dated July 6, 2024, amongst our Company, Selling Shareholders and the BRLM pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 11,900,000 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹ [●] million comprising of offer for sale of up to 500,000 Equity Shares aggregating up to ₹ [●] million by Gouthamchand Sohanlal Chowdhary, offer for sale of up to 3,800,000 Equity Shares aggregating up to ₹ [●] million by Rani Gouthamchand Chowdhary, offer for sale of up to 500,000 Equity Shares aggregating up to ₹ [●] million by Sambhav Gautam

Term	Description
	Chowdhary, offer for sale of up to 500,000 Equity Shares aggregating up to ₹ [●] million by Shreyans Gautam Chowdhary, offer for sale of up to 3,300,000 Equity Shares aggregating up to ₹ [●] million by Richa Sambhav Chowdhary, offer for sale of up to 3,300,000 Equity Shares aggregating up to ₹ [●] million by Samiksha Shreyans Chowdhary.
Offer Price	<p>The final price at which Equity Shares will be allotted to ASBA Bidders in terms of this Red Herring Prospectus and Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company in consultation with the BRLM in terms of this Red Herring Prospectus and the Prospectus.</p> <p>The Offer Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and this Red Herring Prospectus.</p>
Offer Proceeds	The proceeds of the Offer shall be available to our Company and the proceeds of the Offer for Sale shall be available to Selling Shareholders respectively in proportion to their offered shares. For further information about use of the Offer Proceeds, please see section entitled “ <i>Objects of the Offer</i> ” on page 111.
Price Band	<p>The price band of a minimum price of ₹ 90 per Equity Share (Floor Price) and the maximum price of ₹ 95 per Equity Share (Cap Price) including any revisions thereof.</p> <p>The Price Band and the minimum Bid Lot size for the Offer as decided by our Company in consultation with the Book Running Lead Manager, will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in all editions of Business Standard , a widely circulated English national daily newspaper, all editions of Business Standard , a widely circulated Hindi national daily newspaper and Ahmedabad edition of Prabhat, a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located, each with wide circulation and shall be made available to Stock Exchanges for the purpose of uploading on their websites.</p>
Pricing Date	The date on which our Company in consultation with the BRLM will finalize the Offer Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and from the ASBA Accounts on the Designated Date.
Public Offer Account Bank(s)	The bank(s) which is a clearing member and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened, in this case being HDFC Bank Limited.
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of 26,850,000 Equity Shares, which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price.
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	This red herring prospectus dated July 12, 2024 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto.

Term	Description
	The Bid/Offer Opening Date shall be at least three Working Days after the registration of Red Herring Prospectus with the RoC. This Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
Registered Brokers	Stock brokers registered with Stock Exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012 and UPI Circulars, issued by SEBI.
Registrar Agreement	The agreement dated December 29, 2023 as amended pursuant to supplementary agreement dated July 6, 2024 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the websites of Stock Exchanges, and the UPI Circulars.
Registrar to the Offer/ Registrar	Link Intime India Private Limited
Retail Individual Bidders or RIB(s) or Retail Individual Investors or RII(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs), who have Bid for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the bidding options in the Offer.
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 18,795,000 Equity Shares, which 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 Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
SCORES	Securities and Exchange Board of India Complaints Redress System
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed by SEBI from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time

Term	Description
Share Escrow Agent	Escrow Agent to be appointed pursuant to the Share Escrow Agreement, namely Link Intime India Private Limited.
Share Escrow Agreement	The agreement dated July 6, 2024 entered into amongst our Company, Selling Shareholders and the Share Escrow Agent for deposit of the Equity Shares offered by Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.
Sponsor Banks	The Bankers to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders into the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, the Sponsor Banks in this case being Axis Bank Limited and HDFC Bank Limited.
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated July 6, 2024 entered into among our Company, Selling Shareholders, Registrar to the Offer, BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than the BRLM) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, Pentagon Stock Brokers Private Limited & Asit. C. Mehta Investment Intermediates Limited .
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] to be entered into amongst the Underwriters and our Company to be entered into on or after the Pricing Date, but prior to filing of the Prospectus.
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual Bidders applying as Retail Individual Bidders in the Retail Portion, and individual Bidders applying as Non-Institutional Bidders with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion by using the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by a UPI Bidders to make a Bid in the Offer in accordance with UPI Circulars.
UPI PIN	A Password to authenticate UPI transaction.
Wilful Defaulter or a Fraudulent Borrower	Means a person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution as defined under the Companies Act, 2013 or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the

Term	Description
	Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI.

Conventional & General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AI	Artificial Intelligence
AIFs	Alternative Investment Funds as defined in and registered under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended
BIS	Bureau of Indian Standards
BSE	BSE Limited
COVID-19	An infectious disease caused by the SARS-CoV-2 virus (Corona virus disease)
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
COGS	Cost of Goods Sold
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
CSR	Corporate social responsibility
CST	Central Sales Tax
DBO	Defined Benefit Obligation
Depositories Act	Depositories Act, 1996
Depository or Depositories	NSDL and CDSL
Debt Equity Ratio	Total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings & current maturity of long-term debt, based on Restated Consolidated Financial Statements.
DIC	District Industries Centre
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
DP/ Participant	Depository Participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation, and amortisation and impairment expense and reducing other income.

Term	Description
EBITDA Margin (%)	EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
EGM	Extraordinary General Meeting
EMS	Environmental Management System
EOU	Export Oriented Unit
EPS	Net Profit after tax, as restated, divided by weighted average no. of equity shares outstanding during the year/ period. (as adjusted for change in capital due to sub-division of equity shares)
EUR/ €	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY/ F.Y.	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
FIR	First information report
Fixed Asset Turnover Ratio	Revenue from operations divided by total property, plant & equipment, based on Restated Consolidated Financial Statements. Figures for property, plant & equipment do not include capital work-in-progress.
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
GST	Goods and Services Tax
GVA	Gross Value Added
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961, as amended
IBC	Insolvency and Bankruptcy Code
IBEF	India Brand Equity Foundation
ICDS	Income Computation and Disclosure Standards
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
INR	Indian National Rupee
InVITs	Infrastructure Investment Trust
IMD	India Meteorological Department
IPO	Initial Public Offer
IRDAI	Insurance Regulatory Development Authority of India
IT	Information Technology
ITC	Input Tax Credit
KYC	Know Your Customer
LC	Letter of Credit
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Mn/ mn	Million

Term	Description
MNRE	The Ministry of New & Renewable Energy
MEIS	Merchandise Exports from India Scheme
MNRE	The Ministry of New & Renewable Energy
MPCB	Maharashtra Pollution Control Board
MSME	Micro, Small & Medium Enterprises
MTM	Mark to Market
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCDs	Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
Net Debt	Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance, and Investment in Mutual Funds
NFE	Net Foreign Exchange
NIP	National Infrastructure Pipeline
Non-Resident	A person resident outside India, as defined under FEMA
NCLT	National Company Law Tribunal
NCLT Ahmedabad	National Company Law Tribunal, Ahmedabad
NPCI	National Payments Corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Indian	Non-Resident Indian A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Corporate Body	Overseas Corporate Body A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
OECD	Organization for Economic Co-operation and Development
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit before tax (less) current tax (less) deferred tax
PAT Margin (%)	PAT Margin is calculated as restated profit after tax for the year as a percentage of total income
QMS	Quality Management System
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
REITs	Real Estate Investment Trusts
ROCE	ROCE is calculated as EBIT divided by capital employed (Equity Share capital + Other equity-Revaluation Reserve-Capital Redemption Reserve + Total Debts Current & Non-current – Cash and cash equivalents and other bank balances.
ROE	ROE is calculated as Net profit after tax, as restated, divided by total equity.
ROC	Net Profit After Tax /Total Equity
RONW	Return on net worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Regulations	FVCI Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Regulations	ICDR Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Regulations	Listing Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Bankers Regulations	Merchant Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Regulations	Mutual Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Regulations	SBEB Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Regulations	Takeover Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a State in India
STT	Securities Transaction Tax
TCS	Tax Collected at Sources
TDS	Tax Deducted at Sources
Trade Marks Act	Trade Marks Act, 1999
TOT	Toll Operate Transfer
UAE	United Arab Emirates
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
WACA	Weighted Average Cost of Acquisition
Water Act	Water (Prevention and Control of Pollution) Act, 1974

Key Performance Indicators*

KPI	Explanation
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size 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 (PAT) for the year / period 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

KPI	Explanation
EPS	EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time
Net worth	Net worth is used to track the book value and overall value of shareholders' equity
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders' funds
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business
Debt - Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers
Fixed Assets Turnover Ratio	Fixed Asset Turnover is the efficiency at which our Company is able to deploy its assets (on net block basis) to generate the Revenue from Operations
Net Cash from/ (used in) Operating Activities	Cashflow from/ (used in) Operating Activities is our Company's ability to generate cash from our core business operations
Revenue CAGR (%)	Revenue CAGR growth provides information regarding the growth in terms of our business for the respective period, in terms of CAGR
EBITDA CAGR (%)	EBITDA CAGR growth provides information regarding the growth in operating profit from our core business for the respective period, in terms of CAGR
PAT CAGR (%)	PAT CAGR growth provides information regarding the growth in our profit after tax from for the respective period, in terms of CAGR

**As approved by resolution of Audit Committee of our Board dated May 16, 2024.*

#As certified by M/s S.C. Bapna & Associates., Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated May 22, 2024.

Technical and Industry Related Terms

Terms	Description
APAC	Asia Pacific
Bn	Billion
CAGR	Compound Annual Growth Rate
DFG	Damaged Food Grains
EMEA	Europe Middle East & Africa
EU	European Union
GoI	Government of India
Ha	Hectare
HDPE	High-density polyethylene
INR	Indian Rupees
MEA	Middle East and Africa
Mn	Million
NA	North America
PP	Polypropylene
USD	United States Dollar
MT	Metric Ton
MTD	Metric Ton per Day
KT	Kilo Ton
KVah	Kilovolt
KWh	Kilowatthour
FICCI	Federation of Indian Chambers of Commerce & Industry
IS	Indian Standard
TPA	Tons per annum
TPD	Tons per day

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

Certain Conventions

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

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time (“IST”). Further, unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Consolidated Financial Statements.

The Restated Consolidated Financial Statements included in this Red Herring Prospectus comprises of the Restated consolidated statement of assets and liabilities as at Fiscal 2024 and Restated standalone statement of assets and liabilities as at Fiscal 2023 and Fiscal 2022, the Restated consolidated statements of profit and loss (including other comprehensive income) during Fiscal 2024, the Restated standalone statements of profit and loss (including other comprehensive income) during Fiscal 2023 and Fiscal 2022, the Restated consolidated statement of cash flows and the Restated consolidated statement of changes in equity for Fiscal 2024, the Restated standalone statement of cash flows and the Restated standalone statement of changes in equity for Fiscal 2023 and Fiscal 2022, read together with statement of significant accounting policies, annexures and notes thereto prepared in accordance with Ind AS and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.

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

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, please refer “*Risk Factor No. 72 – Significant differences exist between Ind AS and other accounting principles, such as IFRS and US GAAP, which may be material to investors’ assessments of our financial condition, result of operations and cash flows.*” on page 70.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 34, 228 and 357, respectively, and elsewhere in this Red Herring Prospectus have been derived from the Restated Consolidated Financial Statements.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the

second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures such as EBIT, EBITDA, EBITDA Margin, PAT and PAT Margin (“**Non-GAAP Measures**”) presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by our activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company’s operating performance. For further details, please see “*Risk Factors*” beginning on page 34.

Currency and Units of Presentation

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India.

All references to “US\$”, “US Dollar”, or “USD” are to United States Dollars, the official currency of the United States of America.

In this Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in million. One million represents ‘million’ or 1000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Indian Rupee, are as follows.

Currency	Exchange Rate as on		
	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.37*	82.22	75.81

Source: www.fbil.org.in

*If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed

Industry and Market Data

The industry and market data set forth in this Red Herring Prospectus has been obtained or derived from Report titled 'Industry Report on Maize Based Speciality Products And Ingredient Solutions' which is exclusively prepared and issued for the purpose of the Offer by Frost & Sullivan and commissioned and paid for by our Company. This report will be available on the website of our Company at <https://www.sanstar.in/> from the date of this Red Herring Prospectus until the Bid/Offer Closing Date. For details of risks in relation to the Frost & Sullivan Report, please see "Risk Factor No. 47 – This Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from Frost & Sullivan, appointed by our Company exclusively for the purpose of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" in the chapter titled 'Risk Factors' on page 61 of this RHP.

The Frost & Sullivan Report is subject to the following disclaimer:

"The market research process for this study has been undertaken through secondary / desktop research as well as primary research, which involves discussing the status of the market with leading participants and experts. The research methodology used is the Expert Opinion Methodology. Quantitative market information was sourced from interviews by way of primary research as well as from trusted portals, and therefore, the information is subject to fluctuations due to possible changes in the business and market climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in the factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

This study has been prepared for inclusion in the herring prospectus and the prospectus of "Sanstar Ltd." in relation to an initial public offering in connection with its listing on the Indian stock exchange.

This report and extracts thereof are for use in the red herring prospectus and the prospectus issued by the company and all the presentation materials (including press releases) prepared by or on behalf of the company (and reviewed by Frost & Sullivan) in relation to the listing exercise. The company is permitted to use the same for internal and external communications as needed in the context of the Listing exercise. However, no part of the report may be distributed for any other commercial gain to parties not connected with the said Listing exercise.

This report has been exclusively prepared for the consumption of "Sanstar Ltd. ", and any unauthorised access to or usage of this material by others is forbidden and illegal.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the Global and Indian Maize based Speciality Products and Ingredient Solutions Industry within the limitations of, among others, secondary statistics, and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it will not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise."

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM or any of its affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and

may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section '*Risk Factors*' beginning on page 34. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

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

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*", beginning on page 128 includes information relating to our peer group companies. Such information has been derived from publicly available sources. No investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import but are not the exclusive means of identifying such statements. Similarly, statements that describe our strategies, objectives, plans, goals, future events, future financial performance or financial needs are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reason described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

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

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

- Any fluctuations in the prices of our raw material may adversely affect the pricing of our products and may have an impact on our business, results of operation, financial condition and cash flows
- We have not entered into any long term contracts with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability of such raw materials or our inability to leverage existing or new relationships with our suppliers could have an adverse effect on our business and results of operations.
- During the peak arrival season of maize harvesting, our Company procures and stores significant quantities of maize which is the primary raw material required for the manufacturing of our Company’s products and for the purpose of doing the same significant amount of working capital is required. Our inability to meet the said working capital requirement during the peak harvesting season of maize may have an adverse effect on our results of operations and overall business.
- There are pending litigations involving our Company. Any unfavourable order or decision in such proceedings may render affect our results of operations.
- Our Company sells its products for specific use by certain industries. Any reduction in the demand or requirement of our products in such industries may result in loss of business and may affect our financial performance and condition.
- Our proposed plans with respect to funding the capital expenditure requirement for expansion of the Dhule Facility are subject to the risk of unanticipated delays in obtaining approvals, implementation and cost overruns which may adversely affect our business and results of operations.
- Any slowdown or shutdown of our manufacturing operations at our Manufacturing Facilities could have an adverse effect on our business, financial condition and results of operations.
- Our Company in the usual course of business does not have any long term contracts with its customers and we rely on purchase orders for delivery of our products and our customers may cancel or modify their orders, change quantities, delay or change their sourcing strategy. Loss of one or more of our top customers or a reduction in their demand for our products or reduction in revenue derived from them may adversely affect our business, results of operations and financial condition.
- Our Company exports its products to various geographies across the globe. Our products may be subject to import duties or restrictions of the relevant geographies. Additionally, any adverse fluctuation in foreign exchange rate, unavailability of any fiscal benefits or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

- We have not yet placed purchase orders or entered into any memorandum of understanding for the majority portion of requirement of the plant and machinery in relation to the proposed expansion of our Dhule Facility. In the event of any delay in placing the balance purchase orders, or in the event the sellers are not able to provide the equipment/machineries or execute the civil building and construction work in a timely manner, or at all, the same may result in time and cost over-runs.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Consolidated Financial Statements”, “Outstanding Litigation and Other Material Developments” and “Offer Procedure” on pages 34, 77, 93, 111, 228 144, 144, 295, , 393 and 430 respectively of this Red Herring Prospectus.

Primary business of our Company

We are one of the major manufacturers of plant based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications (Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024). Our products categories include starches, derivatives and co-products, amongst others.

For further details, please see “Our Business” beginning on page 228.

Summary of industry in which our Company operates

The Global maize based speciality products and ingredients solutions industry is estimated to be valued at \$ 45,195 million in calendar year 2023 and is estimated to grow to \$ 58,021 million in calendar year 2029. Similarly, the Indian industry is estimated to be valued at \$ 3,121 million in calendar year 2023 and is estimated to grow to \$ 4,210 million in calendar year 2029.

For further details, please see “Industry Overview” beginning on page 144.

Name of Promoters

As on the date of this Red Herring Prospectus, our Promoters are Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chaudhary and Shreyans Gautam Chowdhary. For further details, please see “Our Promoters and Promoter Group” on page 295.

The Offer

The Offer comprises a Fresh Issue of up to 41,800,000 Equity Shares aggregating up to ₹ [●] million and Offer for Sale of up to 11,900,000 Equity Shares aggregating up to ₹ [●] million by Selling Shareholders. The details of the Equity Shares offered by each Selling Shareholder pursuant to the Offer for Sale are set forth below:

Sr. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Aggregate proceeds from the Offered Shares (₹ in million)	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	Gouthamchand Sohanlal Chowdhary	Up to 500,000	[●]	15,301,100	10.89
2.	Rani Gouthamchand Chowdhary	Up to 3,800,000	[●]	10,910,000	7.77
3.	Sambhav Gautam Chowdhary	Up to 500,000	[●]	32,600,000	23.21
4.	Shreyans Gautam Chowdhary	Up to 500,000	[●]	32,465,000	23.12
5.	Richa Sambhav Chowdhary	Up to 3,300,000	[●]	10,865,000	7.74

6.	Samiksha Chowdhary	Shreyans	Up to 3,300,000	[●]	11,000,000	7.83
Total			Up to 11,900,000	[●]	113,141,100	80.56

- (1) The Offer has been authorised by our Board pursuant to resolutions passed at their meeting held on December 15, 2023 and June 27, 2024, and by our Shareholders pursuant to a special resolution dated December 18, 2023 and June 28, 2024. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale in its meeting held on June 27, 2024.
- (2) The Equity Shares being offered by the Selling Shareholders are fully paid-up and have been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of the authorisations by the Selling Shareholders in relation to the Offered Shares, see the section titled “The Offer” and “Other Regulatory and Statutory Disclosures - Authority for the Offer” on pages 77 and 404, respectively.

For further details, see “The Offer” and “Offer Structure” on pages 77 and 425 respectively.

Objects of the Offer

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

Sr. No.	Particulars	Estimated Amount
1.	Funding the capital expenditure requirement for expansion of our Dhule Facility	1,815.55
2.	Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company	1,000.00
3.	General corporate purposes ⁽¹⁾	[●]

⁽¹⁾To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. In compliance with Regulation 7(2) of the SEBI ICDR Regulations, the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

For further details, please see “Objects of the Offer” beginning on page 111.

Aggregate pre-Offer shareholding of our Promoters and Promoter Group

The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up equity share capital of our Company is set out below:

Sr. No.	Name of the Shareholders	Pre-Offer		Post-Offer	
		Number of Equity Shares of face value ₹2/- each	% of total shareholding	Number of Equity Shares	% of total shareholding
(A) Promoters					
1.	Gouthamchand Chowdhary	Sohanlal	15,301,100	10.89	[●]
2.	Sambhav Gautam Chowdhary		32,600,000	23.21	[●]
3.	Shreyans Gautam Chowdhary		32,465,000	23.11	[●]
	Sub Total (A)		80,366,100	57.22	[●]
(B) Promoter Group					
4.	Rani Chowdhary	Gouthamchand	10,910,000	7.77	[●]
5.	Richa Sambhav Chowdhary		10,865,000	7.74	[●]
6.	Samiksha Chowdhary	Shreyans	11,000,000	7.83	[●]
7.	Sanstar Gems & Jewels Private Limited		10,650,000	7.58	[●]
8.	Sambhav Starch Products Private Limited		10,546,250	7.51	[●]
9.	Gauthamchand Chowdhary- HUF	S.	5,786,750	4.12	[●]

Sr. No.	Name of the Shareholders	Pre-Offer		Post- Offer	
		Number of Equity Shares of face value ₹2/- each	% of total shareholding	Number of Equity Shares	% of total shareholding
10.	Mohini Devi Chopra	12,000	Negligible	[●]	[●]
11.	Santosh Shah	9,000	Negligible	[●]	[●]
Sub Total (B)		59,779,000	42.56	[●]	[●]
Total Promoters & Promoter Group (A+B)		140,145,100	99.77	[●]	[●]

For further details, please see “*Capital Structure*” beginning on page 93.

Summary of Financial Information

A summary of the financial information of our Company as derived from the Restated Consolidated Financial Statements for Fiscals 2024, 2023 and 2022 are as follows:

(in ₹ million, except per share data)

Particulars	Fiscal 2024	Fiscal 2023	Fiscals 2022
Equity Share capital	280.89	280.89	295.00
Net Worth ⁽¹⁾	2,159.12	1,492.81	489.67
Revenue from operation	10,672.71	12,050.67	5,044.02
Total Income	10,816.83	12,096.68	5,047.67
Restated Profit for the period / year ⁽²⁾	667.67	418.05	159.21
Earnings per share (Basic & Diluted) as per face value of ₹10/- ⁽³⁾	23.77	14.88	5.40
Earnings per share (Basic & Diluted) as per face value of ₹2/- ⁽⁶⁾	4.75	2.98	1.08
Return on Net Worth for equity shareholders (%) ⁽⁴⁾	30.92	28.00	32.51
Net Asset Value per Equity Share ⁽⁵⁾	15.37	10.63	3.32
Total borrowings	1,276.36	1,117.00	852.24

1. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Statements, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation;
2. Restated Profit for the period / year attributable to equity shareholders does not include other comprehensive income;
3. Earnings per share (basic and diluted) = Net Profit after tax, as restated, divided by weighted average no. of equity shares (basic and diluted) outstanding during the year/ period. (as adjusted for change in capital due to sub-division of equity shares);
4. Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year/ period divided by Net worth as at the end of the year / period;
5. Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year/ period (as adjusted for change in capital due to sub-division of shares).
6. Pursuant to a resolution passed at the EGM of Shareholders dated November 28, 2023, our Company has approved sub-division of 1 (one) equity share of face value ₹10/- each into 5 (five) Equity Share of face value ₹2/-each. The impact of such sub-division of equity shares has been retrospectively considered for the computation of EPS, as per the requirements/principals of Ind AS 33, as applicable.

For further details, please refer to section titled “*Restated Consolidated Financial Statements*” beginning on page 305.

Qualifications by the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Statements.

There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Statements. For further details, please refer to section titled “*Restated Consolidated Financial Statements*” beginning on page 305.

Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Directors and Promoters, to the extent applicable, as on the date of this Red Herring Prospectus is provided below:

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation*	Aggregate amount involved (₹ in million)
1. Company							
	By the Company	3	Nil	Nil	Nil	Nil	4.65
	Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
2. Directors* (Other than Promoters)							
	By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
3. Promoters							
	By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
4. Subsidiary							
	By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

* Please refer to heading titled ‘Other proceeding involving our Directors’ in the chapter titled ‘Outstanding Litigations and Material Developments’ on 396.

For further details, please see “*Outstanding Litigation and Material Developments*” beginning on page 393.

Risk factors

Investors should see “*Risk Factors*”, beginning on page 34 to have an informed view before making an investment decision.

Summary of contingent liabilities and commitments

As per Restated Consolidated Financial Statements, as on March 31, 2024, our Company has contingent liabilities amounting to ₹ 45.54 million.

Summary of related party transactions

A summary of related party transactions entered into by our Company with related parties and as disclosed in the Restated Consolidated Financial Statements Fiscals 2024, 2023 and 2022 are as follows is set forth below:

(₹ in million, except for percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sale			
Artex Vinimay	-	8.52	-
Sanstar Biopolymers Limited*	-	-	9.61

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Expression Commercial LLP*	12.29	313.83	1,926.77
Sambhav Starch Products Private Limited*	-	-	-
Total	12.29	322.35	1,936.38
Sales of Plant & Machinery			
Sambhav Starch Products Private Limited*	22.00	-	-
Total	22.00	-	-
Purchase of Raw Material			
Sanstar Biopolymers Limited*	-	-	455.65
Artex Vinimay LLP	-	198.81	82.45
Expression Commercial LLP	45.79	278.31	-
Total	45.79	477.12	538.10
Commission Paid to			
Sambhav Starch Products Private Limited*	-	9.00	-
Artex Vinimay LLP	0.08	-	-
Total	0.08	9.00	-
Purchase of Equipment			
Sanstar Biopolymers Limited*	-	-	-
Shreyans Gautam Chowdhary	0.35	-	-
Gouthamchand Sohanlal Chowdhary	0.36	-	-
Total	0.71	-	-
Salary Paid to			
Samiksha Shreyans Chowdhary	4.90	3.25	2.40
Richa Sambhav Chowdhary	4.90	3.40	2.40
Rani Gouthamchand Chowdhary	4.90	3.05	2.40
Gouthamchand Sohanlal Chowdhary	7.50	7.10	5.55
Sambhav Gautam Chowdhary	7.50	7.10	5.55
Shreyans Gautam Chowdhary	7.50	7.10	5.55
Harishkumar Shishupalda Maheshwary	1.69	1.31	-
Fagun Harsh Shah	0.51	0.44	0.32
Total	39.40	32.74	24.17
Sitting Fees paid			
Kuldeep Ashokbhai Shah	0.09	0.04	-
Sourabh Vijay Patawari	0.05	0.04	-
Total	0.14	0.08	-
Interest paid to			
Gouthamchand Sohanlal Chowdhary	-	0.38	0.36
Sambhav Gautam Chowdhary	-	1.23	1.55
Shreyans Gautam Chowdhary	-	0.47	0.34
Rani Gouthamchand Chowdhary	-	1.73	1.50
Richa Sambhav Chowdhary	-	1.84	0.71
Samiksha Shreyans Chowdhary	-	0.47	-
S Gouthamchand Chowdhary (HUF)	-	0.46	1.17
Chowdhary Sambhav Gautam (HUF)	-	0.35	0.61
Shreyans Gautam Chowdhary HUF	-	0.15	0.32
Sanstar Biopolymers Limited*	-	-	27.60
Sanstar Gems & Jewels Private Limited*	0.26	0.32	0.30
Sambhav Starch Products Private Limited*	3.36	0.65	-
Arhant Sambhav Chowdhary	-	0.04	0.07
Arishth Shreyans Chowdhary	-	0.04	0.07
Total	3.62	8.12	34.61

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
CSR & Donation Given to			
Ranidevi Gouthamchand Chowdhary Charitable Trust	0.30	3.20	3.00
Total	0.30	3.20	3.00
Receipt of Loans from			
Gouthamchand Sohanlal Chowdhary	-	0.34	5.85
S Gauthamchand Chowdhary (HUF)	-	0.41	-
Sambhav Gautam Chowdhary	-	1.20	6.08
Shreyans Gautam Chowdhary	-	1.02	6.18
Rani Gouthamchand Chowdhary	-	1.86	1.30
Richa Sambhav Chowdhary	-	33.85	1.70
Samiksha Shreyans Chowdhary	-	0.52	2.30
Shreyans Gautam Chowdhary HUF	-	0.13	-
Chowdhary Sambhav Gautam (HUF)	-	0.31	-
Arhant Sambhav Chowdhary	-	0.04	-
Arishth Shreyans Chowdhary	-	0.04	-
Sanstar Gems & Jewels Private Limited	65.72	1.29	0.55
Sambhav Starch Products Private Limited*	-	176.58	-
Sanstar Biopolymers Limited*	-	-	370.37
Total	65.72	217.61	394.32
Repayment of Loans to			
Gouthamchand Sohanlal Chowdhary	-	7.17	0.01
Sambhav Gautam Chowdhary	-	19.06	0.65
Shreyans Gautam Chowdhary	-	7.61	1.35
Rani Gouthamchand Chowdhary	-	14.11	8.92
Richa Sambhav Chowdhary	-	42.13	0.35
Samiksha Shreyans Chowdhary	-	2.82	-
S Gauthamchand Chowdhary (HUF)	-	8.66	6.05
Chowdhary Sambhav Gautam (HUF)	-	5.79	0.21
Shreyans Gautam Chowdhary HUF	-	3.05	-
Arhant Sambhav Chowdhary	-	0.70	-
Arishth Shreyans Chowdhary	-	0.70	-
Sanstar Biopolymers Limited*	-	-	503.15
Sambhav Starch Products Private Limited*	50.61	229.19	-
Sanstar Gems & Jewels Private Limited	1.97	0.40	1.05
Total	52.58	341.40	521.73
Outstanding Balance of Loans Taken			
Gouthamchand Sohanlal Chowdhary	-	-	6.83
Sambhav Gautam Chowdhary	-	-	17.86
Shreyans Gautam Chowdhary	-	-	6.59
Rani Gouthamchand Chowdhary	-	-	12.25
Richa Sambhav Chowdhary	-	-	8.28
Samiksha Shreyans Chowdhary	-	-	2.30
S Gauthamchand Chowdhary (HUF)	-	-	8.25
Chowdhary Sambhav Gautam (HUF)	-	-	5.47
Shreyans Gautam Chowdhary HUF	-	-	2.92
Sanstar Biopolymers Limited*	-	-	274.84
Sambhav Starch Products Private Limited*	44.13	26.00	-
Sanstar Gems & Jewels Private Limited	1.66	3.39	2.51
Arhant Sambhav Chowdhary	-	-	0.67
Arishth Shreyans Chowdhary	-	-	0.67

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total	45.79	29.39	349.42
Outstanding Receivable From			
Sanstar Biopolymers Limited*	-	-	0.08
Total	-	-	0.08
Job Work Service			
Expression Commercial LLP	8.76	-	-
Total	8.76	-	-
Interest Income From			
Sambhav Starch Products Private Limited	-	4.22	-
Total	-	4.22	-
Rent Paid To			
Sambhav Starch Products Private Limited	9.08	6.00	-
Total	9.08	6.00	-
Loan Given To			
Sambhav Starch Products Private Limited	-	29.68	-
Total	-	29.68	-

*The related party transactions entered into with Sanstar Biopolymers Limited, Expression Commercial LLP, Sambhav Starch Products Private Limited by the Company are in ordinary course of business and are subject to change as per the commercial requirement of the business.

Details of loan availed by the Company from related parties

The loans availed by our Company from related parties as disclosed under the heading titled ‘Summary of related party transactions’ on page 27 of this RHP, are subject to the following key terms and conditions:

- i. Scope and purpose:** For business requirements of the Company;
- ii. Right to recall:** Lender shall be entitled to recall the loan;
- iii. Repayment schedule:** As may be mutually agreed and;
- iv. Rate of interest:** As may be mutually agreed.

For further details, please see “Restated Consolidated Financial Statements – Note 46 - Related Party Disclosures”

Details of beneficial owners of Sanstar Biopolymers Limited

Sr. no	Name of significant beneficial owner	Name of member of Sanstar Biopolymers Limited	Nature of interest (% of equity shares)
1.	Gouthamchand Sohanlal Chowdhary	Gautamchand S. Chowdhary HUF	7.12
		Artex Vinimay LLP	3.58
		Expression Commercial LLP	3.58
		Sanstar Gems & Jewels Private Limited	1.29
		Sambhav Starch Products Private Limited	1.09
2.	Ranidevi Gouthamchand Chowdhary	Artex Vinimay LLP	3.58
		Expression Commercial LLP	3.58
		Sanstar Gems & Jewels Private Limited	0.88
		Sambhav Starch Products Private Limited	1.09
3.	Richa Sambhav Chowdhary	Expression Commercial LLP	3.58
		Artex Vinimay LLP	3.58
		Sanstar Gems & Jewels Private Limited	0.64
		Sambhav Starch Products Private Limited	0.66
4.	Sambhav Gautam Chowdhary	Expression Commercial LLP	3.58
		Artex Vinimay LLP	3.58

		Sanstar Gems & Jewels Private Limited	0.80
		Sambhav Starch Products Private Limited	0.66
5.	Samiksha Shreyans Chowdhary	Expression Commercial LLP	1.99
		Artex Vinimay LLP	1.99
6.	Shreyans Gautam Chowdhary	Artex Vinimay LLP	3.58
		Expression Commercial LLP	3.58
		Sanstar Gems & Jewels Private Limited	0.79
		Sambhav Starch Products Private Limited	0.66

Financing Arrangements

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

Weighted Average price at which the Equity Shares were acquired by the Selling Shareholders in one year preceding the date of this Red Herring Prospectus

For the purpose of calculating WACA, the price per equity shares is multiplied with number of equity shares acquired, thereafter, this acquisition cost is adjusted for any sale of equity shares at cost price (on a first-in-first-out basis) and corporate actions such as bonus, split etc. These results are added and divided by the total number of shares held.

Except as stated below, our Promoter Selling Shareholders and Promoter Group Selling Shareholders have not acquired any Equity Shares in one year preceding the date of this Red Herring Prospectus:

Name of shareholder	Number of Equity Shares acquired in one year preceding the date of this Red Herring Prospectus	Weighted average price per Equity Share in the one year preceding the date of this Red Herring Prospectus (in ₹)* ⁽¹⁾⁽²⁾
Promoters Selling Shareholders		
Gouthamchand Sohanlal Chowdhary	261,000	8.61
Sambhav Gautam Chowdhary	1,250,000	1.72
Shreyans Gautam Chowdhary	1,250,000	2.01
Promoters Group Selling Shareholders		
Rani Gouthamchand Chowdhary	3,760,000	2.38
Richa Sambhav Chowdhary	3,095,000	1.85
Samiksha Shreyans Chowdhary	3,095,000	1.95

*As certified by M/s S.C. Bapna & Associates, Chartered Accountants, Statutory Auditors of our Company, pursuant to their certificate dated July 06, 2024.

⁽¹⁾Total investment into the equity shares of Sanstar Biopolymers Limited (the transferor company in the Scheme) made by the respective shareholders at their respective time of acquisition of equity shares of Sanstar Biopolymers Limited, including in the period prior to the one year preceding this Red Herring Prospectus has been considered for the purpose of calculation of the above weighted average price for Equity Shares of our Company which were allotted to the shareholders of Sanstar Biopolymers Ltd, pursuant to the NCLT, Ahmedabad order dated November 23, 2023 approving the Scheme, as the Equity Shares were allotted pursuant to above-mentioned Scheme within the one year period prior to this Red Herring Prospectus.

⁽²⁾Pursuant to a resolution passed at the general meeting of shareholders dated November 28, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value of ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹ 2/- each. The impact of such sub-division of shares has been retrospectively considered for the computation of weighted average cost of acquisition.

For further details, please see “Capital Structure” beginning on page 93.

Weighted average cost of acquisition of all Equity Shares transacted by the shareholders in the three years, eighteen months and one year preceding the date of this Red Herring Prospectus

Weighted average cost of acquisition of all Equity Shares transacted by the shareholders in the three years, eighteen months and one year preceding the date of this Red Herring Prospectus is set forth below:

Particulars	Weighted Average Cost of Acquisition (WACA) (in ₹) ⁽¹⁾	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price Lowest Price-Highest Price (in ₹)
Last 3 years	2.45	38.78	1.72-20.50
Last 18 months	2.45	38.78	1.72-20.50
Last 1 year	2.45	38.78	1.72-20.50

As certified by M/s. Nahta Jain & Associates, independent chartered accountants pursuant to their certificate dated July 06, 2024.

⁽¹⁾ Total investment into the equity shares of Sanstar Biopolymers Limited (the transferor company in the Scheme) made by the respective shareholders at their respective time of acquisition of equity shares of Sanstar Biopolymers Limited, including in the period prior to the one year preceding this Red Herring Prospectus has been considered for the purpose of calculation of the above weighted average price for Equity Shares of our Company which were allotted to the shareholders of Sanstar Biopolymers Ltd, pursuant to the NCLT, Ahmedabad order dated November 23, 2023 approving the Scheme, as the Equity Shares were allotted pursuant to above-mentioned Scheme within the one year period prior to this Red Herring Prospectus

Average cost of acquisition of Equity Shares by the Selling Shareholders

The average cost of acquisition of Equity Shares held by the Selling Shareholders set forth in the table below:

Name of shareholder	Number of Equity Shares held	Average cost of Acquisition per Equity Share (in ₹) ^{*(1)}
Promoters Selling Shareholders		
Gouthamchand Chowdhary	Sohanlal	15,301,100
		2.17
Sambhav Gautam Chowdhary		32,600,000
		0.35
Shreyans Gautam Chowdhary		32,465,000
		0.34
Promoters Group Selling Shareholders		
Rani Gouthamchand Chowdhary		10,910,000
		1.80
Richa Sambhav Chowdhary		10,865,000
		0.70
Samiksha Shreyans Chowdhary		11,000,000
		0.44

*As certified by M/s S.C. Bapna & Associates, Chartered Accountants, Statutory Auditors of our Company, pursuant to their certificate dated July 06, 2024.

⁽¹⁾Total investment into the equity shares of Sanstar Biopolymers Limited (the transferor company in the Scheme) made by the respective shareholders at their respective time of acquisition of equity shares of Sanstar Biopolymers Limited, including in the period prior to the one year preceding this Red Herring Prospectus has been considered for the purpose of calculation of the above weighted average price for Equity Shares of our Company which were allotted to the shareholders of Sanstar Biopolymers Ltd, pursuant to the NCLT, Ahmedabad order dated November 23, 2023 approving the Scheme, as the Equity Shares were allotted pursuant to above-mentioned Scheme within the one year period prior to this Red Herring Prospectus.

Details of pre-IPO Placement

Our Company has not undertaken any pre-IPO placement.

Issuance of equity shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash or out of revaluation reserves and through bonus issue in the one year preceding the date of this Red Herring Prospectus, other than the Equity Shares issued on November 25, 2023 to the shareholders pursuant to the Scheme of Amalgamation.

Split/consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken any split or consolidation of its equity shares in the one (01) year preceding the date of this Red Herring Prospectus

Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each. For further details, see “*Capital Structure*” on page 93.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Red Herring Prospectus, we have not sought any exemption from SEBI in respect of the Offer, from complying with any provisions of securities laws including but not limited to SEBI ICDR Regulations.

SECTION – II

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry in which we operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Furthermore, some events may be material collectively rather than individually. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and therefore, cannot be disclosed in such risk factors.

In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Key Industry Regulations and Policies”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 144, 228, 255, 357 and 393 respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Offer including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

Unless the context requires otherwise, all financial information included herein is derived from our Restated Consolidated Financial Information included in “Financial Information” beginning on page 305.

Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled “Industry Report on Maize Based Speciality Products And Ingredient Solutions” dated May 18, 2024 (the “F&S Report”/ “Frost & Sullivan Report”) prepared by Frost and Sullivan (India) Private Limited and such report has been commissioned and paid for by our Company exclusively in relation to the Offer. A copy of the Frost & Sullivan Report is available on the website of our Company at <https://www.sanstar.in/>. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Frost & Sullivan Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

1. Any fluctuations in the prices of our raw material may adversely affect the pricing of our products and may have an impact on our business, results of operation, financial condition and cash flows.

Our Company is in the ‘maize based speciality products industry and ingredient solutions’ and for the manufacturing of our Company’s product portfolio the primary raw material required is ‘maize’. Maize is one of the major cereal crops grown in India and has versatile applications in end use industries (Source: Frost & Sullivan Report). Our Company in its usual course of business meets its raw material requirement by way of procurement from mandis that are local market places and also directly from farmers harvesting maize. For details, please refer to heading titled ‘Raw Material and Suppliers’ in the chapter titled ‘Our Business’ on page 232 of this RHP respectively.

The manufacturing quantity and the pricing of our products is significantly dependent on our ability to source quality raw materials at acceptable prices and maintain a stable and sufficient supply of the same. As per the Restated Consolidated Financial Statements, our cost of material consumed were ₹ 8,329.30 million, ₹ 9,588.56

million and ₹ 3,915.23 million constituting 83.97%, 83.07% and 81.10% of our total expenses for the Fiscals 2024, 2023 and 2022 respectively.

In the usual course of business, we do not enter into any contracts for the supply of our raw materials. As per the Restated Consolidated Financial Statements, our cost of raw material procured from local farmers and mandis and outsiders for Fiscals 2024, 2023 and 2022 is provided herein below.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of total purchases	₹ in million	% of total purchases	₹ in million	% of total purchases
Farmers	1,462.26	16.03	827.08	8.60	279.03	7.24
Mandis and Outsiders	7,660.81	83.97	8,787.55	91.40	3,573.33	92.76
Total Purchases	9,123.07	100.00	9,614.63	100.00	3,852.36	100.00

(₹ in million)

Our business is also dependent on the suppliers of our raw materials who are local farmers situated near our Dhule Facility or third party suppliers from local unorganized marketplaces/Mandis. For details of our Top 10 and Top 5 raw material suppliers, please refer to risk factor no. 18 titled '*Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Units and suppliers in 'mandis' which are un-organized marketplaces*' in the chapter titled '*Risk Factors*' on page 48 of this RHP. The raw material we source is subject to price volatility and unavailability caused by factors beyond the control of our Company such as, weather conditions, supply and demand dynamics, logistics, our bargaining power with the suppliers, inflation and governmental regulations and policies.

Our Company manufactures a variety of products including native maize starch, modified maize starch, yellow dextrin, white dextrin, liquid glucose etc. For further details with respect to products manufactured by our Company, please refer to heading titled '*Broad description of Products and Applications*' in chapter titled '*Our Business*' on page 230 of this RHP. In addition to maize which is our principal raw material for all of our products, certain other consumables and certain chemicals are also used during the manufacturing of our products.

Our Company has a dedicated raw material procurement team of five people headed by Ruchitbhai Patel and consisting of Shaitan Singh, Aditya Rajendrasingh Girase, Harshad Patel and Bhavesh Koshti having qualifications Masters in Arts, Bachelor's in Science - Chemistry, Bachelor's in Commerce and Bachelor's in Commerce respectively. However, if our Company is unable to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our results of operations. Further, if we are not able to effectively manage these costs or unable to increase the prices of our products to offset such increased costs, our margins, cash flows and overall profitability may be adversely affected.

2. *We have not entered into any long term contracts with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability of such raw materials or our inability to leverage existing or new relationships with our suppliers could have an adverse effect on our business and results of operations.*

We in our usual course of business meet our raw material requirement by way of procurement from mandis that are local market places and also directly from farmers harvesting maize located near of Manufacturing Facilities. In the usual course of business, we do not enter into any contracts for the supply of our raw materials, i.e., contractual arrangements with the third party suppliers or local maize harvesting farmers. The absence of any contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these additional costs onto our customers, which may reduce our profit margins. For details, please refer to Risk Factor no. 1 titled "*Any fluctuations in the prices of our raw material may adversely affect the pricing of our products and may have an impact on our business, results of operation, financial condition and cash flows*" and heading titled '*Raw Material and Suppliers*' in the chapters titled '*Risk Factors*' and '*Our Business*' on pages 34 and 232 of this RHP respectively. Further, for details of our Top 10 and Top 5 raw material suppliers, please refer to risk factor no. 18 titled '*Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Units and suppliers in 'mandis' which are un-organized marketplaces.*' in the chapter titled '*Risk Factors*' on page 48 of this RHP.

As on date of this RHP, our Company has not faced any instances of discontinuance in supply of raw material by our suppliers, however in addition to the above, we also face a risk of one or more of our existing suppliers discontinuing their supply to us and any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our operations. If any of the suppliers

of raw material to our Company fail for any reason to deliver raw material in a timely manner or at all, it may affect our ability to manage our inventory levels and manufacture our products. This may also result in an increase in our procurement costs which we may or may not be able to pass on to our customers. Further, even though our Company endeavours to maintain cordial relationships with its raw material suppliers including local maize harvesting farmers and third party suppliers, there can be no assurance that we will be able to effectively manage the relationships or that we will be able to enter into long term arrangements with new raw material suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

3. *During the peak arrival season of maize harvesting, our Company procures and stores significant quantities of maize which is the primary raw material required for the manufacturing of our Company's products and for the purpose of doing the same significant amount of working capital is required. Our inability to meet the said working capital requirement during the peak harvesting season of maize may have an adverse effect on our results of operations and overall business.*

During the months of September, October, November and December, maize harvesting in India is at its peak and purchase of maize usually takes place during such months for stocking purposes (*Source: Frost & Sullivan Report*). Our Company requires significant amount of working capital during such peak arrival season for the procurement and storing of maize.

Summary of our working capital position for last three Fiscals based on Restated Consolidated Financial Statements is given below:

(₹ in million)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Working Capital Requirement	1,890.90	1,255.73	449.12
Working Capital Requirement as a % of Revenue from Operations	17.72	10.42	8.90

In the ordinary course of business and during the last three Fiscals, our Company's working capital requirement during the peak arrival season is comparatively higher than our working capital requirement during the non-peak arrival season. However, our Company's working capital requirement as on March 31, 2024 was ₹ 1,890.90 million *vis-à-vis* the working capital requirement during the peak season as on December 31, 2023 which was ₹ 1,849.83 million. This increase by ₹ 41.07 million was primarily due to stocking of maize in March 2024 by the Company considering the availability of maize and demand of our products. Accordingly the working capital requirement of our Company in March 2024 was high as compared to December 31, 2023 which is one of the months of the peak arrival season.

The raw material cost during the peak arrival season i.e., during the months of September, October, November and December and during the remainder of the year is given below:

(₹ in million)			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total cost of raw material during the peak arrival season	3,203.32	3,648.40	1,552.84
Total cost of raw material during the non-peak arrival season	5,919.75	5,966.23	2,299.52
Total	9,123.07	9,614.63	3,852.36

Further, our Company has not entered into any forward contracts or contracts with its suppliers of raw material for the procuring maize. Though the price of the raw material during the peak season of arrival are lower compared to the price during the other calendar months, in the event we are unable to procure and store maize during the peak arrival season in a timely manner or at all and at a commercially reasonable price, we may have to incur additional procurement costs which may not be commercially favourable for us. For storing and safekeeping the raw material, our Company maintains a total of four (4) maize storage silos at its Dhule Facility which are used to store raw material under certain controlled conditions with more than 50,000 MT of maize storage capacity. Our Kutch Facility has maize storage area admeasuring around 13,670 square feet and finished goods storage area of 25,850 square feet, allowing us to store large quantities of raw materials and finished goods. For further details relating to storage facilities of the Company, please refer to heading titled '*Storage Infrastructure*' in chapter titled '*Our Business*' on page 238 of this RHP. Our inability to maintain sufficient cash flows during the peak arrival season, realize existing inventories & trade receivables, maintain and utilising credit facilities and other sources

of fund, in a timely manner, or at all, to meet the increased requirement of working capital during the peak arrival season may have an adverse effect on our financial condition and result of our operations.

4. There are pending litigations involving our Company. Any unfavourable order or decision in such proceedings may render affect our results of operations.

As on date of this RHP, our Company has initiated three (03) legal proceedings under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques aggregating to ₹ 4.65 million which are pending at different levels of adjudication. In the event of adverse rulings in these proceedings or any unfavourable decision, we may need to make payments or make provisions for future payments, which may increase expenses and current or contingent liabilities and adversely affect our reputation.

As on date of this RHP, a summary of outstanding litigation proceedings involving our Company as disclosed in “*Outstanding Litigation and Material Developments*” on page 393, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated December 29, 2023, is provided below:

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved (₹ in million)
1. Company							
	By the Company	3	Nil	Nil	Nil	Nil	4.65
	Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
2. Directors* (Other than Promoters)							
	By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
3. Promoters							
	By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
4. Subsidiary							
	By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

* Please refer to heading titled ‘Other proceeding involving our Directors’ in the chapter titled ‘Outstanding Litigations and Material Developments’ to page no. 396.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no additional liability will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies.

5. Our Company sells its products for specific use by certain industries. Any reduction in the demand or requirement of our products in such industries may result in loss of business and may affect our financial performance and condition.

We have set-out below the industries where our products are used and the revenues generated from them:

Industry / Sector	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in Million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in Million	% of Gross Revenue from Operations
Food	6,451.93	58.12	7,720.83	61.25	3,044.45	59.11
Animal Nutrition	1,160.06	10.45	1,275.67	10.12	649.74	12.62
Other Industrial Applications*	3,489.05	31.43	3,608.94	28.63	1,456.24	28.27

Industry / Sector	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in Million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in Million	% of Gross Revenue from Operations
Gross Revenue from Operations	11,101.04	100.00	12,605.44	100.00	5,150.43	100.00

*Other industrial applications include pharmaceuticals, paper, textile, personal care, adhesives amongst others.

As stated above, our Company supplies its products to customers operating in Food, Animal Nutrition and Other industrial applications. As per the Restated Consolidated Financial Statements, the revenue generated by our Company from sale of products to existing customers and the revenue generated by our Company from sale of products to new customers for Fiscals 2024, 2023 and 2022 is provided in the table below.

(₹ in million)

Period	Revenue from existing customers	Revenue from new customers	Total Gross Revenue from Operations
Fiscal 2024	9,892.67	1,208.38	11,101.04
Fiscal 2023	10,794.72	1,810.72	12,605.44
Fiscal 2022	4,523.37	627.06	5,150.43

These customers use our products for their applications or processes or for manufacturing their own end use products in the relevant industry in which they conduct their business. The tables below set forth the Global market demand and Indian market demand for the products of the Company during Fiscals 2023, 2022 and 2021 (Source: Company Commissioned F&S Report).

Global Market data in value and volume terms

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)
Starches	84.49	45,195.00	81.45	43,140.15	78.70	41,532.52
Derivatives	14.69	7,674.10	14.07	7,339.81	13.57	7,067.17
Co-Products	26.29	7,634.40	26.05	7,339.20	25.32	7,115.83
Value Added Products	14.86	9,096.37	13.91	8,491.81	13.27	8,086.69

India Market data in value and volume terms

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)
Starches	7.27	3,121.00	6.93	2,979.95	6.69	2,869.09
Derivatives	1.21	626.80	1.15	598.09	1.11	576.02
Co-Products	1.26	549.02	1.22	530.43	1.18	510.70
Value Added Products	1.07	702.02	1.00	655.23	0.95	623.62

Any reduction or fall in the demand of products or services of our customers operating in the relevant application industries may ultimately have an impact on our business, profitability and financials. For details with respect to the demand of our products, please refer to the heading titled 'Maize Starch & Maize Based Specialty Products And Ingredient Solutions Market Overview' in the chapter titled 'Industry Overview' on page 158 of this RHP.

Further, any changes in governmental or regulatory policy and/or any slowdown in our Company's customer's industry due to any reasons. If the end-user demand is low for our customers' products, there may be significant changes in the orders from our customers or we may experience greater pricing pressures. Therefore, risks that

could harm the customers of our industry could, as a result, adversely affect us as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products.

As on date of this RHP, our Company has not faced any significant reduction in demand from its customers leading to a material adverse effect, however, in the event our customers experience a reduced demand for their products, the same may affect our sales to such customers or operating margins and both of these combined may gradually result in loss of customers including our customers. Additionally, industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may also choose to import some of these products which provide them better cost benefits as compared to us or source the products from our competitors. This price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to reduced revenues, lower profit margins or loss of market share, any of which would have a material adverse effect on our business, results of operations and financial condition. We cannot assure you that our other customers would take similar actions such as cease to have operations in India which may affect our business.

6. Our proposed plans with respect to funding the capital expenditure requirement for expansion of the Dhule Facility are subject to the risk of unanticipated delays in obtaining approvals, implementation and cost overruns which may adversely affect our business and results of operations.

In order to achieve the economies of scale in our operations and to enable us to increase our manufacturing capacity in response to the needs and timelines of our customers and in accordance with our future strategies, we intend to utilize upto ₹ 1,815.55 million out of the Net Proceeds to fund the capital expenditure requirement for expansion of the Dhule Facility. The proposed expansion of 1,000 TPD at our Dhule Facility was approved by the Board of directors of the Company on August 5, 2022. With the above proposed expansion, our aggregate installed capacity of both the facilities is expected to increase to 2,100 TPD. As described in detail in the chapter titled “*Objects of the Offer*” on page 111, out of the Net Proceeds, our Company proposes to use ₹ 1,815.55 million to fund the capital expenditure requirement for expansion of the Dhule Facility and such proposed expansion would be implemented on the existing land already owned and occupied by the Company.

As disclosed under the heading titled ‘*Government Approvals*’ in the chapter titled ‘*Objects of the Offer*’ on page 111 of this RHP, our Company may be required to obtain routine approvals which we expect to be processed and approved in the normal course and which include but are not limited to: a) boiler certificate; b) electrical drawings approval; c) power connection which will be obtained at the time of implementing the building and civil construction work; d) final approval for operating the proposed expanded capacity; e) layout approval from inspector of factories and; f) Food Safety License, amongst others. Moreover, pursuant to application dated July 6, 2023, the Company has received Consent to Establish for part expansion under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6 and Rule 18(7) of the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016. Further, the Company is in receipt of factory building construction approval dated January 15, 2024 issued by Sub- Divisional Officer Shirpur, Dhule.

Further, the Company will file necessary applications with relevant authorities for obtaining all approvals as may applicable, at the relevant stages of implementation of the proposed expansion of the Dhule Facility. For further details, please refer to heading titled ‘*Estimated Schedule of Implementation*’ in the chapter titled ‘*Objects of the Offer*’ on page 111 of this RHP.

Our proposed expansion plan and business growth require capital expenditure and the dedicated attention of our management. Our efforts to implement the proposed expansion of the Dhule Facility are subject to significant risks and uncertainties, including: (i) delays and cost overruns resulting from increases in the prices and availability of plant and machinery, shortages of skilled workforce and transportation constraints; (ii) lower manufacturing efficiency and yield before achieving our proposed expansion of the Dhule Facility; (iii) our inability to obtain the required permits, licenses and approvals from relevant government authorities such as approval for the factory plan, consent to establish in a timely manner or at all; and (iv) interruptions caused by natural disasters or other unforeseen events. Though, during Fiscals 2024, 2023 and 2022, we have not faced any instances of delays and cost overruns resulting from increase in the prices and availability of plant and machinery, shortages of skilled workforce and transportation constraints and instances of inability to obtain licenses, if we are unable to anticipate regulatory changes and address the above risks and uncertainties, the proposed expansion

as described in detail in “*Objects of the Offer*” beginning on page 111 could be delayed, adversely affecting our business, results of operation and prospects.

7. *Any slowdown or shutdown of our manufacturing operations at our Manufacturing Facilities could have an adverse effect on our business, financial condition and results of operations.*

We operate from two Manufacturing Facilities situated in Kutch and Dhule in the state of Gujarat and Maharashtra respectively. The Manufacturing Facilities have a combined installed capacity of 363,000 tons per annum (1,100 tons per day). As on March 31, 2024, our Dhule Facility had an installed capacity of 247,500 tons (750 TPD) and capacity utilization of 219,678 tons and our Kutch Facility had an installed capacity of 115,500 tons (350 TPD) and capacity utilization of 93,194 tons as certified by the Chartered Engineer Kirtesh Kumar G Shah, (The Institution of Engineers India, Membership No. : AM096642-0) vide certificate dated April 19, 2024. For further details, please refer to heading ‘*Capacity and Capacity Utilisation*’ in the chapter titled ‘*Our Business*’ on page 250 of this RHP. Our business is dependent upon our ability to effectively manage our Manufacturing Facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions, fire, power interruption and natural disasters, however our Company maintains comprehensive insurance coverage to mitigate the risk arising out of such event. While there have been no such instances during Fiscals 2024, 2023 and 2022, any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair or properly maintain manufacturing assets in a timely manner or at all, our operations may need to be suspended until we repair or replace them and there can be no assurance that the new manufacturing assets will be repaired, procured and/or integrated in a timely manner. During the months of January and February 2024 we carried out planned boiler maintenance at our Kutch Facility for a period of around four weeks which affected the capacity utilisation at our Kutch Facility during the said period. In addition, we may be required to carry out planned shutdowns of our Manufacturing Facilities for maintenance, statutory inspections, customer audits and testing if so demanded by our customers, or we may shut down one or more of our Manufacturing Facilities for capacity expansion and equipment upgrades.

In particular, outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the national, state or local governments in any of the jurisdictions where our Manufacturing Facilities are situated, could adversely affect our operations. In addition, we also may face protests from localities at our Manufacturing Facilities which may delay or halt our operations. We have not experienced any significant disruptions at our Manufacturing Facilities during Fiscals 2024, 2023 and 2022 and we cannot assure you that there will not be any disruptions in our operations in the future. Our repairs and maintenance expenses was ₹ 20.25 million, ₹ 61.11 million and ₹ 78.83 million constituting 0.19%, 0.51% and 1.56% of our revenue from operations for the Fiscals 2024, 2023 and 2022 respectively as per our Restated Consolidated Financial Statements. Any inability to utilise our Manufacturing Facilities, to their full or optimal capacity, non-utilisation of such capacity may adversely affect our results of operations and financial condition.

8. *Our Company in the usual course of business does not have any long term contracts with its customers and we rely on purchase orders for delivery of our products and our customers may cancel or modify their orders, change quantities, delay or change their sourcing strategy. Loss of one or more of our top customers or a reduction in their demand for our products or reduction in revenue derived from them may adversely affect our business, results of operations and financial condition.*

Our Company has in the past received repeat orders from our customers and they continue to engage us, however we do not enter into long-term purchase contracts with our customers and we rely on purchase orders which govern the volume and other terms of our sale of products to them. Many of the purchase orders we receive from our customers specify pricing terms and the delivery schedule. Absence of any long term contracts or contractual exclusivity with respect to our business arrangements with such customers poses a challenge on our ability to continue to supply our products to these customers in future. Further, the number of purchase orders that our customers place with us differ from period to period, which has caused our revenues, results of operations and cash flows to fluctuate in the past and we expect this trend to occasionally continue in the future. As per the Restated Consolidated Financial Information, our Company has generated ₹ 9,892.67 million, ₹ 10,794.72 million and ₹ 4,523.37 million revenue from repeat orders from customers constituting 89.11 %, 85.64 % and 87.83 % of our Gross Revenue from Operations for Fiscals 2024, 2023 and 2022 respectively. Moreover, we depend on a limited number of customers, which exposes us to a risk of customer concentration. The details of contribution by our top 10 and top 20 customers to our Gross Revenue from Operations as per the Restated Consolidated Financial Statements is set out below.

Product		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Top Customers	10	4,499.38	40.53	5,784.74	45.89	3,804.74	73.87
Top Customers	20	5,949.55	53.59	7,207.64	57.18	4,287.44	83.24

We may possibly experience issues executing a purchase order from a customer in accordance with the requirements of the customers on a timely basis. Additionally, our customers have certain specific requirements for product quality as well as delivery schedules and any failure to meet our customers' expectations and specifications could result in cancellation of orders or the risk of the customer not placing any subsequent orders or might place orders for lesser quantity. There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of raw materials and other input costs resulting in an increase in the price of our products; (b) changes in customer requirements and preferences; (c) changes in governmental or regulatory policy and (d) slowdown in the customer's industry due to any reasons. Any of these factors may have an adverse effect on our business, results of operations and financial condition. Due to the possibility of orders not being placed, cancellations or changes in scope and schedule of orders, which is typically at the discretion of our customers, or problems we encounter in order execution or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent an order will be performed or that purchase orders will be, in one period as consistently as they have been in prior periods.

Delays in the completion of an order could lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such order. These payments often represent an important portion of the margin we expect to earn on successful execution of an order. In addition, even where an order proceeds as scheduled, it is possible that the customers may default or otherwise refuse to pay the amounts owed to us. As per the Restated Consolidated Financial Statements bad debts of our Company pursuant to default in payment by our customers for Fiscals 2024, 2023 and 2022 were 'Nil', ₹ 1.10 million and ₹ 0.12 million respectively. Though there have been no instances of incomplete orders during the Fiscals 2024, 2023 and 2022 any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to any other uncompleted orders, or disputes with customers in respect of any of the foregoing, could materially affect our cash flow position, revenues and earnings.

9. Our Company exports its products to various geographies across the globe. Our products may be subject to import duties or restrictions of the relevant geographies. Additionally, any adverse fluctuation in foreign exchange rate, unavailability of any fiscal benefits or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

Our Company's overseas customers are located in Asia, Africa, Middle East, Europe, Oceania and Americas and our Company exported its products to 49 countries across Asia, Africa, Middle East, Europe & Oceania and Americas, during Fiscal 2024. The table below sets forth the details of revenue generated by our Company from domestic sales and export sales during Fiscals 2024, 2023 and 2022 as per the Restated Consolidated Financial Statements:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Domestic Sales	7,156.66	64.47	8,828.71	70.04	4,962.66	96.35
Exports Sales	3,944.38	35.53	3,776.73	29.96	187.77	3.65
Gross Revenue from operations	11,101.04	100.00	12,605.44	100.00	5,150.43	100.00

For further details, please refer to sub-heading titled 'One of the largest manufacturers of maize based speciality products and ingredient solutions in India with diverse product portfolio; We have grown with Revenue and PAT CAGR of 45.46% and 104.79% over Fiscal 2022-2024' under heading titled 'Our Competitive Strengths' in chapter titled 'Our Business' on page 233 of this RHP. The regulatory authorities in these geographies impose

varying import and other duties on the products of our Company. Presently, we export our products on freight on board (FOB) basis and cost and freight (CFR) basis wherein the responsibility to honour the import duties lies with the importer and we are not under any obligation to pay import duty(ies) pursuant to import of our products by overseas customers. There can be no assurance that the import duties will not increase or new restrictions will not be imposed by the regulatory authorities of the aforesaid geographies leading to additional costs on buyers of our products located overseas which may result into reduction in demand for our products. Any substantial increase in such duties or imposition of new restrictions in such geographies may adversely affect our business, financial condition and results of operations. The details of geographies where our Company exports its products and revenue generated from such geographies for Fiscals 2024, 2023 and 2022 and their contribution to the total revenue from exports for the said period as per the Restated Consolidated Financial Statements has been set out below:

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Asia	2,370.99	60.11	2,203.29	58.34	156.04	83.10
Africa	918.96	23.30	1,126.20	29.82	31.73	16.90
Middle East	214.44	5.44	350.24	9.27	-	-
Americas	387.63	9.83	65.59	1.74	-	-
Europe* and Oceania	52.37	1.33	31.41	0.83	-	-
Total	3,944.38	100.00	3,776.73	100.00	187.77	100.00

*Includes exports to Russia.

In addition to the above, we also are exposed to foreign exchange rate fluctuation to the extent such part of our revenue is denominated in a currency other than the Indian Rupee. Based on our geographical presence and business operations worldwide, we primarily deal in U.S. Dollars and Euro currencies. Our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the U.S. Dollars and Euro may have a material impact on our results of operations, cash flows and financial condition. We may suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers. For details pertaining to currency risk and exchange rate exposures, please refer to heading titled 'Currency Risk' on page 388 of the Restated Consolidated Financial Statements of the Company. During the Fiscals 2024, 2023 and 2022, our Company has not faced any material adverse impact on its financials owing to foreign exchange fluctuation. Our net foreign exchange gain/(loss) for Fiscals 2024, 2023, and 2022 as per our Restated Consolidated Financial Statements was ₹ 48.20 million, ₹ 29.60 million and ₹ 2.57 million, respectively and constituted 0.45%, 0.25% and 0.05% of our revenue from operations for Fiscals 2024, 2023 and 2022 respectively.

10. We have not yet placed purchase orders or entered into any memorandum of understanding for the majority portion of requirement of the plant and machinery in relation to the proposed expansion of our Dhule Facility. In the event of any delay in placing the balance purchase orders, or in the event the sellers are not able to provide the equipment/machineries or execute the civil building and construction work in a timely manner, or at all, the same may result in time and cost over-runs.

We intend to utilize upto ₹ 1,815.55 million out of the Net Proceeds for funding capital expenditure requirements for the proposed expansion of our Dhule Facility. Out of ₹ 1,815.55 million earmarked for funding capital expenditure requirements for the proposed expansion of our Dhule Facility, our Company has estimated the cost of plant and machinery and utilities as ₹ 967.89 million and ₹ 782.10 million respectively. As on June 30, 2024, an amount aggregating to ₹ 199.96 million has been deployed towards the proposed expansion out of term loans from banks and internal accruals of the Company. While we have procured quotations in relation to the purchase of plant and machinery forming part of our proposed expansion and civil building and construction work connected with such expansion, we have not placed purchase orders or entered into a memorandum of understanding or any binding agreement/contract for purchase of the majority of the requirement of plant and machinery. For details in respect of cost for the above objects, please refer to heading titled 'Details of Cost of the Proposed Expansion' in chapter titled "Objects of the Offer" on page 111. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things unforeseen delays or cost overruns, unanticipated expenses, regulatory changes and technological

changes. In the event of any delay in placing the purchase orders for the balance requirement of plant and machinery, or an escalation in the cost of acquisition of the equipment or in the event the sellers are not able to provide the equipment and services in a timely manner or execute the purchase orders that our Company has already placed in a timely manner or at all, we may encounter time and cost overruns. Though there have been no such instances during the Fiscals 2024, 2023 and 2022, problems that could adversely affect our expansion plan include labour shortages, increased costs of equipment and manpower, defects in design, incremental pre-operating expenses and other external factors which may not be within the reasonable control of our Company. There may be a possibility that we may not be able to complete the proposed expansion of our Dhule Facility in accordance with the proposed schedule of implementation. For further details, please see “*Objects of the Offer*” on page 111.

11. The manufacturing of ‘maize based speciality products and ingredient solutions’ requires controlled conditions such as certain levels of temperature, a certain standard of cleanliness and accuracy and any disruptions and/or shortage of power supply may have an adverse effect on our business and results of operations.

Our manufacturing process requires certain temperature at different control points and equipment levels, high level of cleanliness and accuracy to manufacture products with expertise. To ensure the accurate levels of temperature, we have installed thermocouples and Resistance Temperature Detectors (RTDs) which are directly connected to our SCADA based automation systems. For example, the furnace temperature in the boilers which are maintained at 980 °C and 1000 °C can be gauged and controlled through RTDs. Moreover, the temperature is in a highly controlled state in the process of steeping of grain wherein a temperature of 52 °C is required to be maintained for separate fractions of the grain. Further, manufacturing of maize based speciality products and ingredient solutions requires a level of precision and even a short power outage or voltage instability may impact the process. Therefore, electricity is crucial for our manufacturing process. Without proper and constant electricity, our Manufacturing Facilities cannot operate and our raw materials which needs to be kept in storage may get damaged.

For storing and safekeeping the raw material, our Company maintains a total of four (4) maize storage silos at its Dhule Facility which are used to store raw material under certain controlled conditions with more than 50,000 MT of maize storage capacity. For further details relating to storage facilities of the Company, please refer to heading titled ‘*Storage Infrastructure*’ in chapter titled ‘*Our Business*’ on page 238 of this RHP.

Further, at our Dhule Facility our Company also uses solar and bio-gas plants as a power back-up tackle power shortages or contingencies. During the months of April 2023 to March 2024, the Dhule Facility of the Company had a total power requirement between the range of 17,72,841 KVAh to 30,61,298 KVAh. Further during the months of April 2023 to March 2024, the solar and biogas plant at the Dhule Facility generated power within the range 2,63,739 KWh to 11,75,328 KWh. For further details, please refer to heading titled ‘*Utilities*’ and sub-heading titled ‘*Electricity and Water*’ in the chapter titled ‘*Our Business*’ on page 251 of this RHP.

Though there have been no instances of disruptions or stoppages or losses due to voltage fluctuation in power supply, in order to safeguard against any stoppages or losses due to voltage fluctuation in power supply we have also installed a turbine generation set of capacity 3000 KW to give power backup to our manufacturing operations at our Kutch Facility and avoid any unforeseen circumstances of power outage.

We may proactively take corrective measures such as above but we cannot guarantee that there will be no disruptions in our manufacturing operations. Any such disruptions could have an adverse effect on our business, financial condition, cash flows and results of operations.

12. Our inability to effectively manage our growth or implement our growth strategies may have a material adverse effect on our business prospects and future financial performance.

We have experienced growth in our financial performance over the past three Fiscals. As per the Restated Consolidated Financial Statements, our revenue from operations increased from ₹ 5044.02 million to ₹ 10672.71 million from Fiscal 2022 to Fiscal 2024, at a CAGR of 45.46 %. Our EBITDA increased from ₹ 397.20 million in Fiscal 2022 to ₹ 981.41 million in Fiscal 2024, at a CAGR of 57.19%. Further, as per the Restated Consolidated Financial Statements, our EBITDA margin was 9.20%, 6.01% and 7.87% during the Fiscals 2024, 2023 and 2022 respectively. As a result of significant increase in sale of products, our business and organization have become, and are expected to continue to become intricate and considerably large in terms of volume of operations. This requires us to adapt continuously to meet the needs of our growing business and could expose us to a number of factors that may negatively impact our business, financial condition and results of operations.

Our Company's success will depend on our ability to adapt continuously to meet the needs of our growing business, in particular, to:

- Effectively plan and implement our proposed expansion;
- ensure safe movement and storage of inventory;
- source, at appropriate prices, the amount of raw materials required for increased manufacturing;
- attract and retain experienced skilled employees;
- efficiently manage international operations and adhere to regulatory concerns;
- development of new products
- respond to increasing competition from competitors in the existing markets we cover as well as new markets we may enter in the future;

We may not be able to adequately respond to any of the foregoing factors or otherwise manage our significant growth which could negatively impact our business, financial condition and results of operations.

13. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our business and financial condition.

As per the Restated Consolidated Financial Statements, we have total borrowings (long term and short term including current maturity) outstanding amounting to ₹ 1,276.36 million, ₹ 1,117.00 million and ₹ 852.24 million as on, March 31, 2024, 2023 and 2022 respectively. Certain of our financing arrangements impose restrictions on the utilization of the loan for certain specified purposes only, such as for the purposes of meeting specific capital expenditure, working capital use and related activities.

We are required to obtain prior consent from some of our lenders for, among other matters, amending our memorandum of association or articles of association, our capital structure, changing the composition of our management, Board of Directors, key managerial personnel or operating structure, effecting any change in the beneficial ownership or management control of our Company, undertaking merger or amalgamation, changing our constitution, issuance of Equity Shares, making certain kinds of investments, declaring dividends, making certain payments (including payment of dividends, redemption of shares, prepayment of indebtedness, payment of interest on unsecured loans and investments), undertaking any new project or further capital expenditure or implementing any scheme of expansion or diversification, investing, lending, extending advances, undertaking any kind of guarantee obligation on behalf of any third party or placing deposits with any other concern, entering into borrowing arrangements with any other bank, financial institution or company, creating any charges, lien or encumbrances over its assets or undertaking or any part thereof in favour of any third party, selling, assigning, mortgaging or disposing off any fixed assets charged to a lender, effecting any change in the nature of our business activities or in the nature or scope of our projects or any change in the financing plan, creation of security interest in secured properties and raising further indebtedness. Further, for the purpose of the Offer, our Company has obtained the necessary consents from its lenders, as required under the relevant facility documentations for undertaking activities relating to the Offer including consequent actions, such as changes/amendments to, including but not limited to, the constitutional documents (memorandum of association and/or articles of association) of our Company, the composition of its management set-up and the shareholding pattern. For further details, see "Financial Indebtedness" beginning on page 390 of this RHP.

14. We operate in a highly competitive industry where we face competition from other players. An inability to maintain our competitive position may adversely affect our business, prospects and future financial performance.

We operate in maize based speciality products and ingredient solutions industry and face strong competition from other players of the industry. Further, in the maize based speciality products and ingredient solutions industry, many small players have started manufacturing maize starch and derivatives. This has led to pricing pressures in global markets with some unorganised players compromising on quality (Source: Company Commissioned Frost & Sullivan Report). Further, this has also led to increased competition by local unorganized players in the maize based speciality products and ingredient solutions industry. Competitive factors in the maize based speciality products and ingredient solutions industry include product quality, price, advertising and promotion, innovation of products, product packaging and package design. Some of our competitors have been in their respective businesses longer than we have and may accordingly have substantially greater financial resources, larger product portfolio, technology, research and development capability and greater market penetration. They may also have the ability to spend more aggressively on marketing initiatives and may have more flexibility to respond to changing business and economic conditions than we do. Further, our competitors in certain regional markets may

also benefit from raw material sources or manufacturing facilities that are closer to these markets. Our ability to compete largely depends upon our direct marketing initiatives and quality of our products.

We cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends, changing consumer preferences or changing market requirements, at prices equal to or lower than those of our products. Increased competition may result in our inability to differentiate our products from those of our competitors, which may lead to loss of market share. Accordingly, our inability to compete effectively with our competitors may have an adverse impact on our business, results of operations and financial condition.

15. We are unable to trace our historical secretarial records prior to calendar year 2006. In the event we are found not to be in compliance with any applicable laws in relation to the missing secretarial records, we may be subject to regulatory actions or penalties for any such possible non-compliance and our business, financial condition and reputation may be adversely affected.

Except for a copy of minutes of meeting of the board of directors of the Company dated March 31, 1982, November 13, 1982, December 8, 1983, April 26, 1985, November 4, 1993, March 28, 1994, August 15, 1994 ('Available Minutes'), copy of our secretarial records filed with the RoC before the calendar year 2006 were not handed over to Gouthamchand Sohanlal Chowdhary pursuant to Agreement to sell and transfer dated February 22, 2012 between Continental Construction Limited and Gouthamchand Sohanlal Chowdhary and associates. Moreover, statutory records including: a) Form-2 (Return of Allotment) pursuant to allotment of 499,300 equity shares dated November 13, 1982 aggregating to 0.35% of the paid-up equity share capital of the Company; b) Form-2 (Return of Allotment) pursuant to allotment of 500,000 equity shares dated December 8, 1983 aggregating to 0.35% of the paid-up equity share capital of the Company; c) Form-2 (Return of Allotment) pursuant to allotment of 3,000,000 equity shares dated April 26, 1985 aggregating to 2.1% of the paid-up equity share capital of the Company; d) Form-2 (Return of Allotment) pursuant to allotment of 6,000,000 equity shares dated March 28, 1994 aggregating to 4.2% of the paid-up equity share capital of the Company; e) Form – 20B (Annual Return); f) Form – 23AC (Balance Sheet); g) Form – 23ACA (Profit & Loss Account); h) relevant resolution of board of directors; i) minutes of meetings of board of directors and; j) minutes of meetings of shareholders (except the Available Minutes) required to be maintained and filed since the incorporation of the Company i.e., February 26, 1982 till the calendar year 2006 were not handed over and are also not available at the office of the RoC as certified by Mr. Alpesh Paliwal – Company Secretary in Practice, vide his search report dated November 15, 2023.

The table below sets forth the Fiscal wise particulars of missing and available secretarial records of the Company. ('-N.A.' depicts the non-availability of the particular secretarial records for the respective Fiscal):

Fiscal	Form-20B (Annual Return)	Form- 23ACA (Profit & Loss Account)	Form-23AC (Balance Sheet)	Available Minutes of meetings of board of directors	Minutes of meetings of members	Other secretarial filings	Statutory registers maintained and kept open under Sections 49(7), 58A, 77A, 86(a)(ii), 136, 143(1), 150(1), 151(1), 152(1), 152(2), 157(1), 303(1), 307(1) and 372(A).
1982	N.A.	N.A.	N.A.	Meeting of board of directors dated November 13, 1982	N.A.	N.A.	N.A.
1983	N.A.	N.A.	N.A.	Meeting of board of directors dated December 8, 1983	N.A.	N.A.	N.A.
1984	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1985	N.A.	N.A.	N.A.	Meeting of board of directors dated April 26, 1985	N.A.	N.A.	N.A.
1986	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1987	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Fiscal	Form-20B (Annual Return)	Form- 23ACA (Profit & Loss Account)	Form-23AC (Balance Sheet)	Available Minutes of meetings of board of directors	Minutes of meetings of members	Other secretarial filings	Statutory registers maintained and kept open under Sections 49(7), 58A, 77A, 86(a)(ii), 136, 143(1), 150(1), 151(1), 152(1), 152(2), 157(1), 303(1), 307(1) and 372(A).
1988	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-
1989	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1990	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1991	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1992	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1993	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1994	N.A.	N.A.	N.A.	Meeting of board of directors dated March 28, 1994	N.A.	N.A.	N.A.
1995	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1996	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1997	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1998	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1999	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2001	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2002	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

The Company *vide* its letter dated May 15, 2024 has intimated the office of RoC and head office of MCA regarding the non-availability of the secretarial records with the Company. In order to locate and retrieve the missing filings, Gouthamchand Sohanlal Chowdhary the Managing Director and one of the Promoters of the Company and Fagun Harsh Shah the Company Secretary and Compliance officer *vide* their respective letters dated May 16, 2024 requested for an appointment at the office of RoC. In a further attempt to locate and retrieve the missing filings, the Company engaged PCS K Jatin & Co, to conduct another physical search at the office of RoC under Section 399(1)(a) of the Companies Act, 2013. PCS K Jatin & Co., *vide* their letter dated May 10, 2024 have reported that the missing records are not available at the office of RoC.

We cannot assure you that, the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. Further we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

Although, our Company endeavours to comply with all compliance/ reporting requirements, there may have been instances of delays/non-discourses/erroneous disclosures and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with RoC. In past, there have been instances wherein our Company has failed to comply with the requirements of RoC, for which we have paid additional fees; which include late collective filing of Form 23ACA for Fiscals 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, late filing of Form 20B/ Form MGT-7 for annual return in the Fiscal 2013 and Fiscal 2023; late filing of Form 23B/ Form ADT-1 for the appointment of statutory auditors in Fiscal 2013, Fiscal 2014 and Fiscal 2016; late filing of Form DIR-12 for change in designation of directors, appointment of directors, chief financial officer and company secretary in Fiscal 2015, change in designation and appointment of directors in Fiscal 2022; late filing of Form MR-1 for the return of appointment of managing directors, chief financial officer and company secretary in Fiscal 2015; late filing of Form AOC-4 for the financial statements in Fiscal 2020, Fiscal 2022 and Fiscal 2023; late filing of Form MGT-14 for the appointment of secretarial auditor in Fiscal 2020, Fiscal 2021 and Fiscal 2022; late filing of Form MGT-14 for approval of financial statements in Fiscal 2020 and Fiscal 2021.

No show cause notice has been issued to our Company till date and except as stated in this Red Herring Prospectus, no penalty or fine has been imposed by any regulatory authority with respect to untraceable records. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or

defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The levy of any fine or penalty may cause a material effect on our business reputation, divert management attention, and result in a material adverse effect on our business prospects.

16. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, cash flows and results of operations.

Our manufacturing process require us to anticipate the demand for our products based on the feedback received from our own marketing personnel, as well as the generally available market data of the ‘maize based speciality products and ingredient solutions industry’. Our business depends on our estimate of the demand for our products. As per the Restated Consolidated Financial Statements, as on Fiscals 2024, 2023 and 2022, our total inventories were ₹ 1,140.26 million, ₹ 265.31 million and ₹ 126.50 million representing 37.57%, 15.66 % and 17.85 % of our total current assets. In the ordinary course of business, our Company does not enter into long term contracts with its customers and we entirely rely upon the purchase orders placed by our customers for the sale of our products. Further, the management of our Company analyses and assesses the demand of the Company’s products to determine the manufacturing volumes, however the same is entirely based on management estimates which are not formally documented by our Company. While we seek to fairly & accurately forecast the demand for our products and, accordingly, plan our manufacturing volumes, there is no guarantee that our estimate of market demand for our products in India or our overseas markets will be accurate. For further details, please refer to risk factor no. 5 titled ‘Our Company sells its products for specific use by certain industries. Any reduction in the demand or requirement of our products in such industries may result in loss of business and may affect our financial performance and condition’ in the chapter titled ‘Risk Factors’ on page 37 of this RHP.

If we underestimate such demand or have inadequate capacity, we may manufacture fewer quantities of products than required and be unable to meet the demand for our products, which could result in the loss of business or constraints in cash flows. The Manufacturing Facilities have a combined installed capacity of 363,000 tons per annum (1,100 tons per day). As on March 31, 2024, our Dhule Facility had an installed capacity of 247,500 tons (750 TPD) and capacity utilization of 219,678 tons and our Kutch Facility had an installed capacity of 115,500 tons (350 TPD) and capacity utilization of 93,194 tons as certified by the Chartered Engineer Kirtesh Kumar G Shah, (The Institution of Engineers India, Membership No. : AM096642-0) vide certificate dated April 19, 2024. For further details, please refer to heading ‘Capacity and Capacity Utilisation’ in the chapter titled ‘Our Business’ on page 250 of this RHP.

Further, we may overestimate demand or demand from our customers may slow down. As a result, we may manufacture products in excess of the actual demand, which would result in surplus stock that we may not be able to sell in a timely manner or at all. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, cash flows and results of operations.

17. We may not be able to derive the desired benefits from our product development efforts and if we are unable to develop new products in a cost effective and timely manner, our business and financial condition may be adversely affected.

Our competitiveness to a certain extent is dependent on our ability to develop new products and more efficient manufacturing capabilities through our Research and Development activities (‘R&D’). Our R&D activities focus on the actual requirement of our customers in terms of their specific needs. The R&D centre is located at the Company’s Registered Office. Our R&D team’s activities are focused on conducting research, developing and betterment of new starches for use in food & beverages and other industries. As on March 31, 2024, our R&D team consists of 10 personnel. The table below sets forth the details of expenditure incurred by the Company towards its R&D activities during the Fiscals 2024, 2023 and 2022 as per the Restated Consolidated Financial Statements.

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Laboratory Equipment expenses	-	0.26	-
Laboratory and Chemical expenses	2.02	1.05	1.18
Salary Expense	4.02	3.21	1.83
Total	6.04	4.52	3.01

We place significant emphasis to improve the quality of our products and expand our new product offerings, which we believe are factors crucial for our future growth and prospects. For example, by way of our R&D activities, our Company has developed san-o-gel pre-gelatinized starch and san-o-mould (mould starch) having

their application in oil & gas industry and food industry respectively. Further, there can be no assurance that our newly developed products will achieve commercial success or be commercialized at all. In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested resources in the research and development of such products.

18. Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Units and suppliers in ‘mandis’ which are un-organized marketplaces.

Our Company in its usual course of business meets its raw material requirement by way of procurement from mandis that are local market places and from maize harvesting farmers located in Maharashtra at Jalgaon, Nandurbar, Amalner and Malegaon and others being the major maize growing regions. The primary raw material required for manufacturing our Company’s products is ‘maize’.

The details of top five (05) and top (10) raw material suppliers vis-à-vis our total purchases as per our Restated Consolidated Financial Statements are set out below.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of total purchases	₹ in million	% of total purchases	₹ in million	% of total purchases
Top five (5) suppliers	2,407.02	26.38	1,526.53	15.88	1,635.13	42.44
Top ten (10) suppliers	3,181.85	34.88	2,097.47	21.82	2,056.27	53.38

Note: The data for Top 5 and Top 10 Suppliers disclosed above has been calculated after excluding procurement from maize producing farmers as the number of maize farmers is voluminous.

Further, our ability to identify and establish relationships with reliable suppliers contributes to the growth of our business as well as other aspects of our operations. Further, there can be no assurance that increased demand, adverse weather conditions, quantum of maize harvesting during the peak harvesting season and their expectation with respect to the price or other problems will not result in shortages or delays in their supply of raw material to our Company. Any changes in their supply pattern or supply volume may affect our business, manufacturing volumes, results of operations, financial condition and profitability. Though, there have been no instances of shortages in supply of raw material having an impact on the business operations of the Company, if we were to experience any a shortage or raw materials and cannot procure the same from other sources in a timely manner or at all, we may be unable to cater to the demand of our customers or meet the required manufacturing schedules which may adversely effect our customer relationship and reputation.

19. Any delay in the collection of our dues and receivables from our clients may have a material and adverse effect on our results of operations and cash flows.

Our business depends on our ability to successfully collect payment from our clients of the amounts they owe us for the products sold by us. As per the Restated Consolidated Financial Statements, our trade receivables days were approximately 40 days, 27 days and 29 days during the Fiscals 2024, 2023 and 2022 respectively. Our trade receivables were ₹ 1,175.13 million, ₹ 912.04 million and ₹ 402.23 million, respectively, representing 11.01%, 7.57% and 7.97% of our revenue from operations during such periods.

We cannot assure you that we will be able to accurately assess the creditworthiness of our customers and will be able to collect the dues in time. Macroeconomic conditions could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. As on date of this RHP, our Company has initiated three (03) legal proceedings against certain defaulting customers under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques aggregating to ₹ 4.65 million. Except as stated above, there have been no material instances of clients delaying payments, requesting to modify their payment terms, or defaulting on their payment obligations to us, occurrence of any or all of the above may cause us to enter into litigation for non-payment, all of which could increase our receivables. In any such case, we might experience delays in the

collection of, or be unable to collect, our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our revenue and cash flows could be adversely affected.

20. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which could have a material adverse impact on our financial condition.

We have comprehensive insurance to protect our company against various hazards, like marine cargo open policy, machinery breakdown policy, standard fire and special perils, workmen compensation, all risk policy and group accident guard policy. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our Manufacturing Facilities or our Registered Office. There are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. As per the Restated Consolidated Financial Statements, as of Fiscals 2024, 2023 and 2022 the aggregate coverage of the insurance policies obtained by us was ₹ 3,044.60 million, ₹ 1,832.57 million and ₹ 1,122.52 million which constituted 99.91 %, 95.35 % and 94.89% of our fixed assets (other than land) respectively. The below table sets forth our aggregated insurance coverage and amount of claims of our Company for Fiscals 2024, 2023 and 2022 as per the Restated Consolidated Financial Statements.

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Aggregate Insurance coverage	3,044.60	1,832.57	1,122.52
Insurance Claim amount	35.88	0.92	0.69

For details regarding insurance coverage and insurance claims by our Company during Fiscals 2024, 2023 and 2022, please refer to heading titled 'Insurance' in the chapter titled 'Our Business' on page 253 of this RHP. While we believe that we have obtained insurance against losses that are most likely to occur in our line of business, there may be certain losses that may not be covered by the Company, which we have not ascertained as of the date. Therefore, we cannot assure you that we will continue to accurately ascertain and maintain adequate insurance policies for losses that may be incurred in the future

21. We are in process of transferring and assigning certain registrations, licenses, approvals, consents and permissions held in the name of Sanstar Biopolymers Limited ('Transferor Company') pursuant to the Scheme of Amalgamation entered into by Sanstar Limited ('Company'/'Transferee Company') and Transferor Company under 232 of the Companies Act, 2013 and any failure to do so may lead to delay of our operations having an adverse impact on business, financial condition, results of operations and prospects.

Our Company had entered into a Scheme of Amalgamation under Section 232 of the Companies Act, 2013 with the Transferor Company for the transfer and vesting of the Transferor Company's Undertaking (as defined in the chapter titled Definitions and Abbreviations on page 3 of this RHP) into our Company as a going concern ('Scheme'). The Hon'ble NCLT, Ahmedabad pursuant to order dated November 23, 2023 approved the Scheme ('NCLT Order') and the transfer and vesting of the Transferor Company's Undertaking (as defined in the chapter titled Definitions and Abbreviations on page 3 of this Red Herring Prospectus) of the Transferor Company into our Company as a going concern. For further details relating to the Scheme, please refer to heading titled 'Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years' in chapter titled 'History and Certain Corporate Matters' on page 264 of this RHP. As per the provisions of the Scheme the Transferor Company will stand dissolved without being wound up with effect from the date of the NCLT Order. The Transferor Company prior to it being dissolved without winding up, was into the manufacturing of maize based nutritional and speciality products such as corn starch, liquid glucose, maltodextrin, dextrose, monohydrate, dried glucose syrup and pursuant to the ordinary course of business, the Transferor Company held certain registrations, licenses, approvals, consents and permissions availed from relevant authorities having jurisdiction over the same. Though the Transferor Company's Undertaking stands transferred and vested into our Company by virtue of the NCLT Order, our Company is in process of filing formal applications before relevant authorities for the transferring and assigning certain registrations, licenses, approvals,

consents and permissions which are in-force but are held in the name of the Transferor Company. For further details, please refer to chapter titled ‘Government and Other Statutory Approvals’ on page 398.

Pursuant to the Scheme, our Company has availed Goods and Service Tax Registration Certificate bearing registration number 24AAACC1062D3ZE. In compliance with order dated January 15, 2024 passed by the Collector and Additional Superintendent of Stamps, Gandhinagar, our Company on January 23, 2024 paid an aggregate amount of ₹ 53.97 lakhs as stamp duty charges towards the transfer of Transferor Company’s immovable property to our Company. Subsequent to payment of applicable stamp duty charges, our Company has filed an application dated May 1, 2024 before Office of Mamlatdar, Bhachau for the amendment of land records reflecting transfer of Transferor Company’s immovable property to our Company. Moreover, ISO 9001:2015, HACCP and FSSAI certifications availed and held in the name of the Transferor Company have been transferred in our Company’s name.

For further details, please refer to chapter titled ‘Government and Other Statutory Approvals’ on page 398 of this RHP.

Any failure to avail the such aforesaid approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to the Transferor Company with respect to the Transferor Company’s Undertaking, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. Furthermore, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

22. Our Company for majority of its domestic sales is dependent upon its customers located in the western region of India

As per the Restated Consolidated Financial Statements, for the Fiscals 2024, 2023 and 2022 the revenue generated by our Company from its customers located in the western region was ₹ 5,041.97 million, ₹ 6,634.28 million and ₹ 4,103.37 million respectively constituting 70.45 %, 75.14 % and 82.69% of the domestic sales respectively.

Due to such above mentioned geographical concentration of our domestic sales in western region of India, our domestic sales are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes. Such events may result in the reduction of a significant portion of our domestic sales, and/or otherwise adversely affect our business, financial condition and results of operations.

23. Under-utilization of our manufacturing capacities and an inability to effectively utilize our current and/or expanded manufacturing capacity could have an adverse effect on our business, prospects and future financial performance.

Our Manufacturing Facilities are located at Dhule, Maharashtra and at Kutch, Gujarat. Our capacity utilisation is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of our customers. We intend to use up to ₹1,815.55 million out of the Net Proceeds towards funding capital expenditure requirement for expansion of our Dhule Facility. For further details, please refer to heading titled ‘Details of Objects of the Offer’ and sub-heading ‘Funding the capital expenditure requirement for expansion of our Dhule Facility’ in the chapter titled ‘Objects of the Offer’ on page no. 111 of this RHP. In case of an oversupply in the industry or lack of demand or any other reasons, we may not be able to utilise our expanded capacity efficiently. The Manufacturing Facilities have a combined installed capacity of 363,000 tons per annum (1,100 tons per day). As on March 31, 2024, our Dhule Facility had an installed capacity of 247,500 tons (750 tons per day) and capacity utilization of 219,678 tons (89 %) and our Kutch Facility had an installed capacity of 1,15,500 tons (350 tons per day) and capacity utilization of 93,194 tons (81%) as certified by the Chartered Engineer Kirtesh Kumar G Shah, (The Institution of Engineers India, Membership No.: AM096642-0) vide certificate dated April 19, 2024. For further details, please refer to heading titled ‘Capacity and Capacity Utilisation’ in the chapter titled ‘Our Business’ on page 250 of this RHP.

During Fiscals 2024, 2023 and 2022, our capacity utilization at our Dhule Facility was 89%, 85% and 74% respectively and during Fiscals 2024, 2023 and 2022, our capacity utilization at our Kutch Facility was 81%, 94% and 88% respectively.

Underutilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our proposed capacity expansion, could adversely impact our business, growth prospects, future financial performance and negatively impact the return on investment of the shareholders on their capital invested.

24. The primary raw material required by our Company i.e., 'maize' has an increased demand in different sectors such as feed manufacturers, ethanol manufacturers and Food and Beverage industry which may put a strain on supply of maize to adequately cater the demand of the industry in which we operate.

Our Company is in the 'maize based speciality products and ingredient solutions' industry and for the manufacturing of our Company's product portfolio the primary raw material required is 'maize' (Source: Company Commissioned Frost & Sullivan Report). Maize is one of the major cereal crops grown in India. Maize is a high nutrient crop with versatile applications in end use industries (Source: Company Commissioned Frost & Sullivan Report). Our Company in its usual course of business meets its raw material requirement by way of procurement from mandis that are local market places and also directly from farmers harvesting maize.

Increasing demand for maize in sectors such as Feed manufacturers, Ethanol manufacturers, Food and Beverage industry leads to put strain on supply of demand for maize starch industry (Source: Company Commissioned F&S Report). In the event the raw material suppliers of our Company supply maize to players from the above mentioned sectors where the demand for maize is increasing, we may face interruptions or shortfalls in our raw material procurement or we may have to procure the same at commercial terms not reasonably favourable to us. Such increasing demand and any shortages in supply of raw material may have an adverse impact on the business and profitability of the Company.

25. We operate only in the industry of maize based speciality products and ingredient solutions industry and there is a lack of diversification in other business areas.

We are one of the major manufacturers of plant based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications (Source: Company Commissioned Frost & Sullivan Report). Our product categories include starches, derivatives, and co-products, amongst others. Our Company operating only in the industry of maize based speciality products and ingredient solutions. Our operations are heavily dependent on the maize-based specialty products and ingredient solutions industry, exposing us to several risks including market volatility and price fluctuations due to supply and demand changes, weather conditions, and global economic factors. Supply chain disruptions from geopolitical issues, transportation bottlenecks, or supplier insolvencies can impair raw material procurement, affecting production and revenue. A significant shortage of maize in the market could lead to severe business instability.

Our lack of diversification limits risk spread across sectors, leading to potential financial instability during industry downturns. Our current dependence on the maize-based specialty products and ingredient solutions industry exposes us to a range of risks that could adversely affect our business. Addressing these risks through strategic diversification and proactive management is critical to sustaining our competitive edge and ensuring continued growth and profitability.

26. The memorandum of association of one of our Group Company viz., Sambhav Starch Products Private Limited ('SSPPL') allows it to conduct a business similar to the business of our Company. This may arise to a potential conflict of interest for our Company and which may have an adverse effect on our business, financial condition and results of operations.

The main objects clause forming part of the memorandum of association of one of our group company viz., Sambhav Starch Products Private Limited allows it to conduct a business similar to the business of our Company. The extracts of main objects clause of Sambhav Starch Products Private Limited ('SSPPL') is as follows:

"To carry on the business of manufacturers, importers, exporters and dealers in Maize, Maize oil, Maize Chunnie,

Gluton Powder, Maize dry bran oil cake, Maize starch powder, Modify starches, Dextrins Meprozyme, Meprobrate, Glucose Liquid, Dextrose Powder, Anhydrous Dextrose Powder, Sorbitol Menitol – Tapioca Chips, Tapioca Starch, Sago, Gwar, Ground Nut Oil, Ground Nut Cake, Ground-nut, Ground nut-seeds, wheat brad, Turmeric, Temrind Starch, Termind Seeds, Cotton, Cotton Seeds, Cotton Oil, Cotton Cake, Castor Oil, Castor Seeds, Castor, Cake, Sugar, Jaggery and all other related by-products thereof and to workup buy, sale or dealing all types of grains, chemicals, Dyes, intermediates and Cloth”.

Though the main objects clause of SSPPL allows it to conduct a business similar to that of our Company, for Fiscals 2024 and 2023 major items of income of SSPPL are rent, dividend, interest, commission and profit on sale of shares. Further, as on date of this Red Herring Prospectus, SSPPL does not own, occupy or operate any manufacturing unit(s) which manufactures products manufactured by our Company such as native maize starch, modified maize starch, yellow dextrin, white dextrin, liquid glucose, dried glucose solid, maltodextrin, liquid dextrose, dextrose monohydrate, dextrose anhydrous, liquid sorbitol and other co-products or any other products similar to products manufactured by our Company. Our Promoters and members of the Promoter Group holding equity share capital in SSPPL have by way of an undertaking agreed that they will not carry on any manufacturing operations and sell products similar to our Company. There can be no assurance that our Promoters or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

27. Our Company has outstanding borrowings in the nature of term loans, working capital overdraft, cumulative exposure limit, cash credit and packaging credit. Our Company will be subject to pre-payment penalties/charges ranging from 2% - 3% of the outstanding loan pursuant to one of the Objects i.e., Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company. The pre-payment penalties/charges will have an impact on the proceeds earmarked out of the Net Proceeds for the repayment/prepayment, to the extent of 2%-3% of the total amount to be pre-paid/re-paid.

As per our Restated Consolidated Financial Information, as on March 31, 2024, our Company has outstanding borrowings in the nature of term loans, working capital overdraft, cumulative exposure limit, cash credit and packaging credit and our Debt/Equity ratio as on March 31, 2024, was 0.50

Our Company proposes to utilise an estimated amount of up to ₹ 1,000.00 million out of the Net Proceeds towards repayment and/or pre-payment of certain existing borrowings availed by our Company. Further at the time of repayment / pre-payment of loans, our Company shall pay the prepayment charges ranging from 2% - 3% on the outstanding loan amount on the loans that are identified to be repaid, out of the portion of Net Proceeds earmarked for this object. For details regarding the applicable pre-payment charges/ pre-closure charges, please refer to table disclosed in the chapter titled ‘Objects of the Offer’ on page 111 of this RHP. Payment of such pre-payment/pre-closure charges on the borrowings identified by the Company would result into our Company incurring additional finance costs. Such pre-payment penalties/charges to the extent of 2%-3% of the total amount to be pre-paid/re-paid of the Company will have an impact on the proceeds earmarked of the Net Proceeds for the repayment/prepayment.

28. The improper handling, processing or storage of raw material or products, or spoilage of and damage to such raw material or products, or any real or perceived contamination of the same, could subject us to legal action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.

The products manufactured by our Company are subject to inherent risks such as contamination due to fungi or bacteria and product tampering during their transport or storage. We face inherent business risks of exposure to recall of products in the event that our products fail to meet the required quality standards. For example, in our business, although we extensively test our primary raw material, which is maize, there exists the possibility of any deviation from the general quality standards due to factors such as human error or any other factors beyond the reasonable control of our Company. Further, our products may be subject to contamination by certain contamination causing fungi or bacteria or due to uncontrolled conditions. These contamination causing fungi and bacteria are typically found in the environment and as a result, there is a risk that they could affect our products. Moreover, our Company avails the services and engages local stock-houses which are not owned by the Company and which are located in the maize-producing regions to store its raw material and products. In addition to availing the services and engaging the local stock-houses, our Company maintains a total of four (4) maize storage silos at

its Dhule Facility which are used to store raw material under certain controlled conditions with more than 50,000 MT of maize storage capacity. For further details relating to storage facilities of the Company, please refer to heading titled 'Storage Infrastructure' in chapter titled 'Our Business' on page 238 of this RHP. Though the stock-houses have storage mechanisms in place such as storage standards and controlled conditions with respect to moisture, temperature, humidity, sanitisation and other conditions required for the storage of maize, there may be a possibility of such mechanisms or standards not being regularly or properly implemented at all times. In case of any shortcomings or errors by the stock-houses engaged by our Company to adhere to or maintain the aforesaid mechanisms and standards, the same may result into contamination or damage to the stock our Company. Further, although during Fiscals 2024, 2023 and 2022, there have been no instances of improper handling, processing or storage of raw material or products, or spoilage of and damage to such raw material or products leading to their contamination, any such instances may subject us to legal action, damage our reputation and have an adverse effect on our business, results of operations and financial condition. Such aforesaid risks may be controlled, but not eliminated, by adherence to good manufacturing and storage practices.

29. Due to shortage and/or lack of adequate farm level infrastructure, the capacity to dry up maize up to the level of 14% may lead to wastage and loss to maize cultivating farmers and the same may have an adverse impact on our business and profitability.

As per the Company Commissioned F&S Report, there is a shortage of farm level infrastructure such as maize driers and quality storage facilities in Indian maize cultivating regions. Such lack of adequate infrastructure, results in quality degradation of the maize crop. Further, the lack of drying maize to appropriate levels leads to post harvest losses for maize cultivating farmers. According to the study done by NABCONS in 2022, post-harvest loss of cereals is 3.89% - 5.92% which occurs at different stages of harvesting, collection, grading/sorting, winnowing/cleaning, drying, packaging, transportation and storage.

Moreover, as per the US Grain council, moisture level of maize shall not be more than 14.00% The wastage and loss to maize cultivating farmers in the process of drying the maize upto 14.00% could lead to shortage in availability of maize for procurement which in turn will affect the price of maize, which is our principal raw material, which could in turn result in increase in price of our product. We cannot ensure that we will be able to pass on the increase cost to our customers which could lead to loss in revenue and have an adverse impact on business and profitability.

30. We export our products to various customers located overseas and any quality concerns by them may hinder our export opportunities which may have an adverse impact on the business and profitability of our Company.

Our Company's overseas customers are located in Asia, Africa, Middle East, Europe, Oceania and Americas and our Company exported its products to 49 countries across Asia, Africa, Middle East, Europe & Oceania and Americas, during the Fiscal 2024 on the basis of our Restated Consolidated Financial Statements. Our products are subjected to quality testing and assurance processes before being packed and dispatched to customers. Our quality control and assurance team comprises of 27 personnel. Based on the type and nature of the product, the testing and quality team performs various tests on the finished products including but not limited to microbial, sugar profiling, nitrogen analysis and carbohydrate analysis.

We place significant emphasis to improve the quality of our products and expand our new product offerings, which we believe are factors crucial for our future growth and prospects. Our Kutch Facility is registered with United States Food and Drug Administration (USFDA) and also hold certifications like FSSAI, HACCP, HALAL, ISO 9001:2015. Our customers located overseas have certain quality requirements with respect to the products that they import such as brightness, whiteness, lower protein, lower residue, low moisture and high viscosity amongst others. Though in the past we have not faced any hindrance or delay in export operations of our Company due to quality concerns, any such possible quality concerns may hinder or delay our export opportunities which may have an adverse impact on the business and profitability of our Company.

31. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

As per our Restated Consolidated Financial Information, our cash flows from operating activities are as set out below:

Particulars	FY 2024 (₹ in million)	FY 2023 (₹ in million)	FY 2022 (₹ in million)
Net Cash Flow used in operating activities	285.97	(60.17)	297.14

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions. For further details, please refer to “*Restated Consolidated Financial Statements* on page 305.

32. Our profitability, business and commercial success is significantly dependent on the performance of the food industry as a whole as well as our customers operating in the food industry. Economic cyclicality coupled with reduced demand in the food industry, in India or globally, could adversely affect our business, results of operations and financial condition.

Our Company sells its products to customers operating in the Food, Animal Nutrition and other industrial applications for their applications or processes or for manufacturing their own end use products in the relevant industry in which they operate. More particularly, a significant portion of our Company’s Gross Revenue from Operations is attributable to sale of products by our Company to its customers operating in the food industry. The revenue generated by our Company from sale of its products to customers operating in the food industry was ₹ 6,451.93 million, ₹ 7,720.83 million and ₹ 3,044.45 million constituting 58.12%, 61.25% and 59.11% of the Gross Revenue from Operations for Fiscals 2024, 2023 and 2022 respectively.

Any slowdown in the food industry or any loss of business from, or any significant reduction in the volume of business with our customers operating in the food industry, if not replaced, could materially and adversely affect our business, financial condition and results of operations. As a result of our dependence on customers in the food industry, we are exposed to fluctuations in the performance of the food industry globally and in India. A decline in our customers’ business performance may also lead to a corresponding decrease in demand for our products and services. The volume and timing of sales to our customers may vary due to variation in demand for our customers products, their attempts to manage their inventory, design changes, changes in their product mix, manufacturing and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular. Unfavorable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption.

33. Maize cultivation is a water intensive process and hence can be a cause of concern for our raw material procurement operations during the dry months of the year and our inability to procure quality raw material during the dry months of the year may have an adverse impact on our product quality.

Our Company is in the ‘maize based speciality products and ingredient solutions industry’ and for the manufacturing of our Company’s product portfolio the primary raw material required is ‘maize’ (*Source: Company Commissioned Frost & Sullivan Report*) and we meet our raw material requirements by way of procurement from mandis that are local market places and also directly from farmers harvesting maize.

Cultivation of maize is a water intensive affair and a growing maize plant requires about 2-3 litres of water per day during peak growing period and average consumptive use of water varies from 2.5 to 4.3 mm/day (*Source: Company Commissioned Frost & Sullivan Report*). Further, cultivation of maize is also dependent upon favourable weather conditions in the areas where we procure maize from such as Jalgaon, Nandurbar, Amalner and Malegaon in Maharashtra. Though maize can be cultivated in all the seasons because of the favorable climatic conditions, it is mainly grown as major Kharif crop in most States in India and Rabi crop in Andhra Pradesh and Tamil Nadu. Due to favorable agro climatic factors & consistent water supply, Rabi maize is more consistent in quality (*Source: Company Commissioned Frost & Sullivan Report*).

Maize cultivation being a water intensive affair, it can be a cause of concern during the dry months of the year. In the event our Company is unable to procure quality maize during the dry months of the year, the same may have an impact on the quality of product adversely affecting our business and financial condition.

34. An inability to procure quality raw materials may affect the quality of our products which may have an adverse impact our operations and financial conditions.

The manufacturing quantity and the pricing of our products is significantly dependent on our ability to source quality raw materials at acceptable prices and maintain a stable and sufficient supply of the same. We in our usual course of business meet our raw material requirement by way of procurement from mandis that are local market places and also directly from farmers harvesting maize located near of Manufacturing Facilities. Further, we do not enter into any contracts for the supply of our raw materials, i.e., contractual arrangements with the third party suppliers or local maize harvesting farmers. For further details, please refer to heading titled 'Raw Material and Suppliers' in the chapter titled 'Our Business' on page 232 of this RHP. For details of our Top 10 and Top 5 raw material suppliers, please refer to risk factor no. 18 titled 'Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Units and suppliers in 'mandis' which are un-organized marketplaces' in the chapter titled 'Risk Factors' on page 48 of this RHP.

Our Company has a dedicated raw material procurement team of five people headed by Ruchitbhai Patel consisting of Shaitan Singh, Aditya Rajendrasingh Girase, Harshad Patel and Bhavesh Koshti having qualifications Masters in Arts, Bachelor's in Science - Chemistry, Bachelor's in Commerce and Bachelor's in Commerce respectively. Further, there have been no instances of liquidated damages, deterioration of product quality, cancellation of orders due to quality defects in raw material procured by the Company, however, in the event we are unable to procure sufficient quality of raw material, the same may result in hampering the quality of the products manufactured by us and thereby leading to rejection of product batches or cancellation of purchase orders by our customers which may have an adverse impact on the business and financial condition of the Company.

35. If we are unable to sustain or manage our growth, our business, results of operations, financial condition and cash flows may be materially adversely affected.

Our Company manufactures and sells maize based starch products such as maize starches, liquid glucose, dried glucose solids, maltodextrin powder, dextrose monohydrate and co-products like germs, gluten, fiber and enriched protein, amongst others. We have experienced growth in our financial performance over the past three Fiscals. As per the Restated Consolidated Financial Statements, our revenue from operations increased from ₹ 5,044.02 million to ₹ 10,672.71 million from Fiscal 2022 to Fiscal 2024, at a CAGR of 45.46%. Our EBITDA increased from ₹ 397.20 million in Fiscal 2022 to ₹ 981.41 million in Fiscal 2024, at a CAGR of 57.19%. As per the Restated Consolidated Financial Statements, our EBITDA margin was 9.20%, 6.01% and 7.87% during the Fiscals 2024, 2023 and 2022 respectively. Further, our Profit After Tax increased from ₹ 159.21 million to ₹ 667.67 million from Fiscal 2022 to Fiscal 2024, at a CAGR of 104.79%.

We may not be able to sustain our current revenue levels and/or rates of growth, due to a variety of reasons including a decline in the demand for our products, increased price competition, disruptions in operations, non-availability of raw materials or a general slowdown in the economy. A failure to sustain our revenue and/or its growth may have an adverse effect on our business, results of operations, growth prospects, financial condition and cash flows and negatively impact the return on investment of the shareholders on their capital invested.

36. We are dependent on third-party transportation providers for the transportation of raw material and delivery of our products and any disruptions in our arrangements with third-party transportation services may adversely affect our business, results of operations and financial condition.

Our Manufacturing Facilities are strategically located which in turn makes it possible for us to procure raw material in an effective and timely manner. However, despite being strategically located, our Company is dependent upon third party service providers for the transport of the raw material and finished products. For the transportation of our raw material and finished products, our Company is entirely dependent upon third-party transport service providers. During Fiscals 2024, 2023 and 2022 we engaged 73, 109 and 69 number of third-party transport service providers respectively for transportation of raw material and for the delivery of our products. As a manufacturing business, our success depends on the uninterrupted supply and transportation of raw material required for our Manufacturing Facilities. We may or may not undertake the responsibility of delivery of raw material or final products to or from our Manufacturing Facilities or to our customers. We rely on third-party logistic service providers and freight forwarders for the purpose of the same.

Factors such as transportation strikes could adversely impact the supply of raw materials and the delivery of our products. In the past three Fiscals we have not experienced any material disruption in transportation services. Past increases in transportation costs have been negotiated with the relevant third party and benchmarked with market prices. However, any such reductions or interruptions in the supply of the raw materials we source from third parties in mandis or local farmers, including abrupt increases in the transportation or fuel costs, inability on our part to find alternate sources for the procurement of such raw materials and termination in arrangements with our transport agencies could adversely affect our business, results of operations and financial condition and may have an adverse effect on our ability to manufacture or deliver our products in a timely or cost effective manner.

37. The price of our primary raw material ‘maize’ is subject to fluctuation due to global volatility in supply and demand scenarios and in case of any major price fluctuations, our business and profitability may be adversely affected.

Our Company is in the ‘maize based speciality products industry and ingredient solutions’ and for the manufacturing of our Company’s product portfolio the primary raw material required is ‘maize’ (*Source: Company Commissioned Frost & Sullivan Report*). Our Company in its usual course of business meets its raw material requirement by way of procurement from mandis that are local market places and also directly from farmers harvesting maize. The raw material we source is subject to price volatility and unavailability due to global supply and demand scenarios which are beyond the reasonable control of our Company. Although in the past, we have not experienced any instances of major price fluctuations of maize due to global volatility in supply and demand scenarios having a material adverse impact on us, any such abovementioned price fluctuation affecting the price at which we procure maize, may have an adverse impact on the business and profitability of our Company.

38. Inconsistent quality of maize, high cost of cultivation and rising post-harvest losses results in high cost of raw material thereby impacting the business and profitability of our Company.

Our Company is in the ‘maize based speciality products and ingredient solutions industry’ and for the manufacturing of our Company’s product portfolio the primary raw material required is ‘maize’ (*Source: Company Commissioned Frost & Sullivan Report*) and we meet our raw material requirements by way of procurement from mandis that are local market places and also directly from farmers harvesting maize. The consistent availability of high-quality maize throughout the year is a significant risk for our business as maize is our primary raw material. Maize, being subject to seasonal variations, faces challenges in maintaining uniform quality levels across different harvests. Additionally, the high cost of cultivation and escalating post-harvest losses further exacerbate the risk, impacting both the reliability of supply and the financial viability of maize-based enterprises.

Maize quality is influenced by factors such as weather conditions, soil fertility, and agronomic practices, resulting in variations in grain size, moisture content, and nutritional composition across different harvests. This seasonal variability poses challenges for our Company which seeks consistent quality standards in maize procurement, processing, and product formulation, potentially affecting our product performance, consumer satisfaction, and brand reputation. The cultivation of maize entails significant input costs, including seeds, fertilizers, pesticides, labor, and mechanization, making it financially demanding for farmers, especially smallholders. Lack of adequate infrastructure and capacity to dry up maize to the level of 14% leading to wastage and loss to farmers results in post-harvest losses which in turn results in rise the cost of maize which is the primary raw material for our products (*Source: Company Commissioned Frost & Sullivan Report*).

In India maize is grown both in Kharif and Rabi season. The maize cultivated in Rabi season gets consistent supply of water due to its dependency on irrigation whereas rainfed maize in kharif season is often exposed to erratic nature of rainfall. Post-harvest loss of cereals are reported as 3.89-5.92 % at different stages. Total cost of cultivation of maize was INR 56956/Ha in 2017-18 and has increased to INR 71337/ Ha in 2021-22, a growth of CAGR 5.8% (*Source: Company Commissioned Frost & Sullivan Report*).

Although, our Company in the past has not faced any instances in discontinuance or shortfall in supply of raw material or increase in price of raw material due to the above mentioned factors, we cannot assure you that we may not face the same risk in the future.

39. Any restrictive change in the regulatory provisions governing the use of modified starches in India, American and European countries may have an adverse impact on the financial condition and business of our Company.

Our Company manufactures modified starches which have applications across pharmaceutical and paper industries and which are prepared by physically, enzymatically or chemically treating native starch to change its properties. FSSAI has certain restrictions on usage of starch in different products such as: a) Khoa shall be free from added starch; starch it is added only in amounts functionally necessary in Dried Ice-Cream Mix, Ice-Cream, Kulfi, Chocolate Ice Cream or Softy Ice-Cream starch, provided it is added only in amounts functionally necessary; b) Infant Milk Food shall be free from starch; c) Fruit/Vegetable, Cereal Flakes starch should not be more than 25.00% (m/m); d) Oxidized starch in thickeners should not be more than 5000 m.g. and; e) Pasteurized Fish Sausage starch as binding agent should not be more than 9% (*Source: Company Commissioned F&S Report*).

According to European Starch Industry Association, modified starch excluding dextrans (e.g. esters and ethers) can be up to 11 % dry substance share in representative product. USFDA has limits for presence of certain elements in modified starch, but it does not restrict the usage of modified starch (*Source: Company Commissioned F&S Report*). Any further imposition of Governmental regulations restricting the use of modified starches in India, European countries, America and/or in other jurisdictions where we export modified starches, may affect the demand of modified starches leading to an adverse impact on the business and profitability of our Company.

Any restrictive change in the regulatory provisions governing the use of modified starches in industries where modified starches have its application, may have an adverse impact on the financial condition and business of our Company.

40. Excess rate of attrition amongst the personnel engaged by our Company may have an adverse impact on our business operations.

Our business depends upon our ability to attract, develop, motivate, retain and effectively utilize skilled employees. We believe that there is significant competition in our industry for such professionals who possess the technical skills and experience necessary to deliver our solutions, and that such competition is likely to continue for the foreseeable future.

As on March 31, 2024, 2023 and 2022 our Company engaged 60, 54 and 58 employees and the attrition rate of our Company for Fiscals 2024, 2023 and 2022 was 12.28 %, 25.00 % and 11.01 % respectively. For further details, please refer to heading titled 'Human Resource' in the chapter titled 'Our Business' on page 251 of this RHP. In order to attract and retain talent, we may need to offer competitive employee compensation and benefits packages.

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit, retain and train experienced, talented and skilled professionals. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Though there have been no material instances of excess attrition amongst the personnel engaged by our Company, any excess attrition in the future may have an adverse impact on the business operations of our Company.

41. The products manufactured by us may be subject to risk of being replaced by substitute products.

Our Company manufactures a variety of products including native maize starch, modified maize starch, yellow dextrin, white dextrin, liquid glucose, dried glucose solid, maltodextrin, liquid dextrose, dextrose monohydrate, liquid sorbitol and other co-products. For further details with respect to products manufactured by our Company, please refer to heading titled 'Broad description of Products and Applications' in chapter titled 'Our Business' on page 230 of this RHP.

Maize starch though seldom replicable, researchers and innovators are trying to replace it with starches from other crops such as rice, tapioca, and arrowroot (*Source: Company Commissioned F&S Report*). In the event any or all products of our Company are to be replaced by substitute products of same or low cost, the business, financials, profitability and demand for our products may be affected.

42. Our Company had availed credit ratings reports from credit rating agencies which highlight certain risks in relation to the business of our Company and any downgrading or deficient ratings may affect our borrowing costs and our accessibility to debt markets.

The cost and availability of capital depends on our credit ratings. The following table sets forth the details of credit ratings during the last three Fiscals:

Rating Agency	Date	Instruments	Credit Rating
CRISIL Ratings Limited	N.A.	Cash credit	CRISIL BB+/Stable (Assigned)
CRISIL Ratings Limited	November 2021	Bank guarantee	CRISIL A3
		Cash Credit	CRISIL BBB- / Stable
		Term Loan	CRISIL BBB- / Stable
CRISIL Ratings Limited	November 2022	Bank Guarantee	CRISIL A3
		Cash Credit	CRISIL BBB- / Positive
		Proposed Rupee Term Loan	CRISIL BBB- / Positive
		Term Loan	CRISIL BBB- / Positive
CRISIL Ratings Limited	June 2023	Bank Guarantee	CRISIL A3/Issuer Not Cooperating
		Cash Credit	CRISIL BBB-/Positive/Issuer Not Cooperating
		Proposed Rupee Term Loan	CRISIL BBB-/Positive/Issuer Not Cooperating
		Term Loan	CRISIL BBB-/Positive/Issuer Not Cooperating
Care Ratings Limited	September 2023	Fund-based – Long Term/ Short Term Working Capital Limits	CARE BBB; Stable / CARE A3+
Care Ratings Limited	March 2024	Fund-based – Long Term/ Short Term Working Capital Limits	CARE BB+; Stable / CARE A4+; Issuer not cooperating
Care Ratings Limited	June 18, 2024	Short-term bank facilities;	CARE A3 +
		Long-term/ short term bank facilities;	CARE BBB; Stable CARE A3+
		Short-term bank facilities	CARE A3+

Credit rating is the opinion of the respective rating agency on aspects related to our business, our management, capital structure, track record, product portfolio and clientele and strengths and weaknesses related thereto. The credit rating reports availed from respective credit rating agencies as stated above set forth the following risks:

- i. Susceptibility to climatic conditions and availability of key input materials which may have an adverse impact on the profitability and results of operations of the Company;
- ii. Risk associated with the Company's exposure to volatility in raw material prices;
- iii. Decline in revenue/ operating profitability leading to cash accruals below ₹ 20 million;
- iv. Large debt-funded capital expenditure or stretch in working capital cycle weakens capital structure;
- v. Risk associated with the Company having average debt protection because of moderate cash accrual and high debt;
- vi. The Company's liquidity being constrained by large debt repayment obligations but cushioned by moderate bank limit utilisation
- vii. Company's presence in a competitive agro-processing industry with competition from both organized as well as unorganized players

The credit rating reports dated February 2023 and March 2024 issued by Care Ratings Limited and credit rating report dated June 2023 issued by CRISIL Ratings Limited contain a comment 'Issuer not cooperating'. We have experienced a downgrades in our credit rating from BBB; Stable / CARE A3+ to CARE BB+; Stable from

February 2023 to March 2024. Pursuant to the recent report dated June 18, 2024, we have received an upgrade in our credit rating from CARE BB+ to CARE BBB for long term / short-term bank facilities. Further, the comment 'Issuer not cooperating' (INC) was removed by Care Ratings Limited on receipt of adequate information.

Any downgrade in our credit ratings or poor ratings, could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

43. We are dependent upon the experience and skill of our Promoters, Key Managerial Personnel and Senior Management Personnel for conducting our business and undertaking our day to day operations. The loss of or our inability to retain, such persons could materially adversely affect our business performance.

Our business is dependent upon our Promoters, Key Managerial Personnel, and Senior Management Personnel, who oversee and supervise our day-to-day operations, strategy and growth of our business. For details pertaining to the profile of our Directors please refer to heading titled 'Brief Biographies of our Directors' in chapter 'Our Management' on page 274 of this Red Herring Prospectus and for details pertaining to the Key Management Personnel and Senior Management Personnel of our Company and their respective functions, please refer to chapter 'Our Management' on page 292 of this Red Herring Prospectus.

In the event, any of our Promoters or one or more members of our Key Managerial Personnel and Senior Management Personnel are unable or unwilling to continue in their present positions, it would be challenging for us to replace such person in a timely and cost-effective manner or at all. There can be no assurance that we will be able to retain or replace these personnel. As on the date of this Red Herring Prospectus, we have two Key Managerial Personnel and eight Senior Management Personnel. The loss of any of these personnel or our inability to replace them may restrict our growth prospects, affect our ability to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

44. Our business is dependent upon our ability to effectively operate and manage the equipment at our Manufacturing Facilities and any material malfunction or breakdown may affect our results of operations, business and profitability.

Our Manufacturing Facilities have a combined installed capacity of 363,000 tons per annum (1,100 tons per day). As on March 31, 2024, our Dhule Facility had an installed capacity of 247,500 tons (750 tons per day) and capacity utilization of 219,678 tons and our Kutch Facility had an installed capacity of 115,500 tons (350 tons per day) and capacity utilization of 93,194 tons as certified by the Chartered Engineer Kirtesh Kumar G Shah, (The Institution of Engineers India, Membership No. : AM096642-0) vide certificate dated April 19, 2024. For further details, please refer to sub-heading 'Large land with ample scope for future expansion' under heading 'Our strategically located, sustainability driven, state of the art manufacturing facilities' in the chapter titled 'Our Business' on page 236 of this RHP. During the months of January and February 2024 we carried out planned boiler maintenance at our Kutch Facility for a period of around four weeks which affected the capacity utilisation at our Kutch Facility during the said period. Our business is dependent upon our ability to effectively manage the equipment at our Manufacturing Facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, however our Company maintains comprehensive insurance coverage to mitigate the risk arising out of such event. While there have been no such instances in Fiscals 2024, 2023 and 2022, any significant malfunction or breakdown of our machinery, our equipment, our automation systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our manufacturing operations incidentally affecting our business and profitability.

45. This Red Herring Prospectus contains information from TEV Report dated December 30, 2023 which we have paid for and commissioned from Dun & Bradstreet Information Services (India) Private Limited, appointed by our Company exclusively for the purpose of the Offer. There can be no assurance that the information contained in the report is complete and accurate. The TEV report has been relied upon to undertake the objects of the proposed offer and the proceeds being raised by the issuer Company. Further the TEV Report contains analysis of various risks related to the proposed expansion at Dhule, Maharashtra.

Our Company have appointed Dun & Bradstreet Information Services (India) Private Limited (“**D&B India**”) to provide a techno-economic viability report on the proposed capacity expansion at Dhule, Maharashtra. D&B India has issued its TEV report dated December 30, 2023. The TEV report has been relied upon to undertake the objects of the proposed offer and the proceeds being raised by the issuer Company. TEV Report has been prepared keeping in view the scope of work and the methodology as stated in the TEV Report. Sources which form the basis of the TEV Report could be broadly classified into two categories: (i) the facts gathered by D&B India by way of a visit to the site of the project relating to the Transaction, or the Government offices, to the extent possible, having regard to practical constraints, and (ii) documents and information as furnished by the Company. However, there can be no assurance that the information contained in the TEV report is complete and accurate.

Further, in the section ‘*Risk analysis & mitigation*’ of the TEV report, the following risks related to the proposed capacity expansion have been mentioned:

- a) Risk pertaining to experience and capability of the Company with respect to implementation of the proposed expansion and the risk relating to Company’s ability to recruit & retain competent technical staff for smooth operation of the proposed project;
- b) Risk of time overrun for the proposed expansion due to failure to adhere to implementation schedule;
- c) Risk of non-receipt of necessary approvals in time for the proposed project;
- d) Cost overrun and risk of escalation of estimated cost over the earmarked contingency may lead to lenders insisting the company to meet the shortfall;
- e) Technology risk with respect to deploying existing and established technology for manufacturing proposed products;
- f) Operational risk with respect to implementation and subsequent operations of the proposed capacity expansion;
- g) Risk of failure to procure regular supplies of raw material at competitive prices, ability to pass on the price hike and time lag in such passing on;
- h) Demand / off take risk with respect to products manufactured by the Company, potential customers and utilization of expanded capacities;
- i) Risk of inability to sustain pricing levels may affect projected revenues;
- j) Any fluctuation in foreign exchange may adversely affect the cost of imported machinery and product sales realisation;
- k) Force majeure risk and additional cost attached to availing and maintaining insurance policies.

Further, in the section “SWOT analysis” in the TEV report, the following threats have been identified:

- a) The generic threat of slowdown exists., which may subdue the generic demand for the products.
- b) Capacity additions by other players or new entrants in the area, may lead to increased competition.

The TEV report is a material document under “*Material Contracts and Documents for Inspection – Material Documents*” and is available for inspection for detailed study of the above. Our proposed expansion and its results are subject to the risks including aforesaid risks and the results from such proposed expansion will depend on our ability to effectively mitigate these risks. In case any of these risks materialise or the Company is not able to effectively mitigate these risks, it may adversely affect the proposed capacity expansion and/or the future operational & financial performance of the Company. The TEV Report is based on certain estimates and assumptions which are subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. Further, the commissioned report is not a recommendation to invest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

46. Any shortcomings or errors by our employees due to in-experience or inadequate training may have an adverse impact on our operations.

As on March 31, 2024, 2023 and 2022, our Company engaged 60, 54 and 58 employees, respectively. For further details, please refer to heading titled ‘*Human Resources*’ in the chapter titled ‘*Our Business*’ on page 228 of this RHP. We generally hire employees having relevant and adequate experience and also impart training to our employees to increase general efficiency and make them accustomed with the operations of the Company. The training programmes imparted to our employees include safety precautions, product contamination control,

packing and labelling and training on HACCP Plan amongst others. Though there have been no such material instances in the past, any shortcomings or errors by our employees due to lack of experience or lack of training may have an adverse impact on our operations. In addition, our employees, may make decisions beyond their scope of authority and that expose us to excessive risks. We cannot assure you that we can monitor the decisions of our employees and the same will always be effective, especially as our business grows and the size of our operations increases. If our employees take excessive risks, take deliberate unauthorized actions or make unintentional mistakes, the impact of those risks, actions or mistakes could have a material adverse effect on our business, financial condition, results of operations and prospects.

47. This Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from Frost & Sullivan, appointed by our Company exclusively for the purpose of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

This Red Herring Prospectus includes industry-related information that is derived from the industry report titled “Industry Report on Maize Based Speciality Products And Ingredient Solutions” issued in May 18, 2024 (“**Frost & Sullivan Report**”), prepared by Frost & Sullivan, appointed by our Company exclusively for the purpose of the Offer. We commissioned and paid for this report for the purpose of confirming our understanding of the industry exclusively for the purpose of the Offer. The Frost & Sullivan Report shall be available on the website of our Company at <https://www.sanstar.in/> in compliance with applicable laws. Our Company, our Promoters, and our Directors are not related to Frost & Sullivan.


Frost & Sullivan has advised that while it has taken adequate care to ensure the accuracy and completeness of the Frost & Sullivan Report, it believes that the Frost & Sullivan Report presents a true and fair view of the global and Indian industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan’s assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

48. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.

The measures we take to protect our intellectual property including initiating legal proceedings, may not be adequate. Further, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that the aforesaid registration is granted. As on date of this Red Herring Prospectus, the trademark ‘Glass-O-Tex’ (word) has been registered in our Company’s name and the trademark ‘Skrubber BX’ and ‘Blend & Bliss’ (device) is at the stage of advertisement and open for inviting objections from third parties. Moreover, our Company has filed application number 6194514 before the Trade



Marks Registry, Ahmedabad (“Registry”) for registration of our Company’s logo and the same is objected on the grounds of the trademark being identical with that of the erstwhile Sanstar Biopolymers Limited (now merged with our Company pursuant to the Scheme of Amalgamation, approved by NCLT, Ahmedabad *vide* order dated November 23, 2023). Objection has also been raised by the Registry for application number 6094284

for our logo . In response to such objections, our Company has submitted replies dated December 20, 2023 with the Registry and presently, awaits approval for registration of such trademarks. For further details with respect to intellectual property of our Company, please refer to heading titled ‘Intellectual Property’ in chapter titled ‘Our Business’ and heading titled ‘Intellectual Property Related Approvals’ in chapter titled ‘Government and other Statutory Approvals’ on page 252 and 402 of this RHP respectively. In addition to the above, we are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and to create counterfeit products. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the

market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our brand names. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and requires to enter into potentially expensive royalty or licensing agreements or to cease usage of certain brand names. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

49. We may not be able to efficiently implement our Company's business strategies and the same may have an adverse effect on our business, financial condition and future prospects.

In contemplation of our Company's future growth, we plan to adopt and implement certain growth strategies with respect to expanding our manufacturing capabilities, diversification of customer base, increasing global footprint, scaling up of organic ingredients, foraying into B2C business and foraying into manufacturing of ethanol. For further details, please refer to heading titled '*Our Strategies*' in chapter titled '*Our Business*' on page 245 of this RHP. In the past, our Company has adopted strategic initiatives and we have successfully commissioned the Dhule Facility in the year 2017, expanded our geographical reach by increasing our exports to various geographies, strategic merger of erstwhile Sanstar Biopolymers Limited with our Company to consolidate the operations under a single entity and diversification of our customer base to mitigate concentration risk. Such growth strategies will place significant demands on the management of our Company as well as our finances and the same may require us to continuously evolve and improve our operational, financial and internal controls across our Company.

Further, as we scale-up and diversify our customer base or increase our global footprint, we may not be able to execute our operations efficiently in a desired manner, which may result in delays or increased costs. Though, as on date of this RHP, there have been no instances of failure in the past having an adverse impact on business operations, we cannot assure you that our future performance or growth strategies will be in line with our past performance or growth strategies. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations, financial condition, collections and cash flows.

50. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business and any failure to obtains, maintain or renew the same may have adverse effect on our business, financial condition and results of operations.

We need to apply for approvals and renewals of the approvals already availed which are required to carry out our manufacturing and other activities, from time to time, as and when required in the ordinary course of our business. For details pertaining to the approvals, licenses and registrations, please refer to chapter titled '*Government and Other Statutory Approvals*' on page 398 of this RHP. Any failure to avail the approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. Our Company would require to renew the approvals which are liable to expire soon and we will submit renewal applications for the same, whenever required. For further, details please refer chapter titled '*Government and other Statutory Approvals*' on page 398 of this RHP.

In the future, we will be required to renew such permits and approvals and obtain new set of permits and approvals for our operations. Although, as on date of this RHP, there have been no instances of failure by the Company to renew or obtain the required permits or approvals having an adverse impact on business operations of the Company and while we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals,

including those set forth above, may result in the interruption of our operations or delay or prevent our operations plans and may have a material and adverse effect on our business, financial condition and results of operations. Except as disclosed in this RHP, there are no applications filed by our Company before any authorities which are pending for approval. Failure by us to renew, maintain or obtain the required permits or approvals, including those set forth above may disrupt our operations, result in the application of penalties the interruption of our operations or delay or prevent our operations plans and may have a material and adverse effect on our business, financial condition and results of operations. For further information, please refer to the chapter titled “*Government and Other Statutory Approvals*” on page 398 of this Red Herring Prospectus.

51. *Our Company has undertaken an issuance of bonus Equity Shares in the past. However, we cannot assure you that our Company will be able to undertake an issuance of bonus Equity Shares in the future.*

Pursuant to Section 63 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, a company may issue bonus shares to its shareholders. Our Company has in the past authorized the issuance of bonus shares in the ratio of 1 Equity Share for every 1 Equity Share held by shareholders. For further details, please refer to heading titled ‘*NOTES TO CAPITAL STRUCTURE*’ and sub-heading titled ‘*History of Equity Share capital of our Company*’ in the chapter titled ‘*Capital Structure*’ on page 94 of this RHP.

In the event our Company issues bonus shares to its shareholders in the future out of the Company’s free reserves or securities premium account or the capital redemption reserve account. Such issuance of bonus shares may result into depletion of the funds standing to the credit of free reserves or securities premium account or the capital redemption reserve. Any future issuance of bonus Equity Shares, if proposed to be undertaken, will depend upon internal and external factors, including but not limited to, profits earned, results of future earnings, capital structure, financial condition, capital expenditures and applicable Indian legal restrictions. There can be no assurance that our Company will be able to undertake bonus issuance of bonus Equity Shares in the future.

52. *Our Company does not own the premises on which our Registered Office and R&D Centre is situated.*

Our Registered Office situated at Sanstar House, near Parimal Under Bridge, opposite Suvridha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India has been leased to us by Sambhav Starch Products Private Limited, a member of our Promoter Group, and one of our Group Companies, in which our Executive Directors & Promoters, Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary are directors. Our Company (“**Licensee**”) has executed a Leave and License Agreement dated March 6, 2024 with Sambhav Starch Products Private Limited (“**Licensor**”) for the use and occupation of its Registered Office and R&D center. We cannot assure you that we will be able to continue the above arrangements on commercially acceptable or favourable terms in future. In the event we are required to vacate the current premises, we would be required to make alternative arrangements for new premises and other infrastructure and facilities. We cannot assure that the new arrangements will be on terms that are commercially favourable to us. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. For details regarding the properties, please refer to heading titled ‘*Our Properties*’ in chapter titled “*Our Business*” on page 234 of this Red Herring Prospectus.

53. *Our Company engages contract labour at its Manufacturing Facilities and we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.*

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facility for the performance of non-core tasks such as packing and handling, material handling and security and service. Further, our Company has entered into individual agreements with the contractors as well as work orders are placed by our Company for provision of such contract labour on a need basis. Under the Contract Labour (Regulation & Abolition) Act, 1970, as on date of this RHP, our Company is permitted to engage maximum 15 contractors and maximum 253 contract labourers. As per the Restated Consolidated Financial Statements, for Fiscals 2024, 2023 and 2022, our Company has incurred ₹ 140.70 million, ₹ 130.73 million and ₹ 74.86 million towards payment of contract labour expenses constituting 1.42 %, 1.13 % and 1.55 % of our total expenses respectively. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. Although as on date of this RHP, our Company is not involved in any legal proceedings, neither any penalty or regulatory action has been imposed or taken against our Company, neither there have been any instances of default on behalf of the Company towards payment of expenditure for

contract labour activities, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors. For further details, please refer to heading titled 'Labour Related Approvals' in chapter titled 'Government and other Statutory Approvals' on page 399 of this RHP.

54. Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.

Our Company has entered into various transactions with certain related parties. While we trust that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms than the transactions entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations, for further details on the transactions entered by us, please refer to "Restated Consolidated Financial Statements – Note 46- Related party disclosure" and heading titled 'Summary of Related Party Transactions' on page 347 and 27 of this Red Herring Prospectus.

Further, list of the related parties and all related party transactions, are disclosed under Ind AS 24 and / or as covered under section 188(2) of the Companies Act, 2013 (as amended), SEBI LODR Regulations and other statutory compliances. Furthermore, in respect of all/any conflicts of interest arises among the equity shareholders in relation to the related party transactions entered in the past, there are no such conflicts of interest arises among the equity shareholders in relation to related party transactions. Though, the related party transactions entered into by the Company in the past are in compliance with the Section 177 and Section 188 of the Companies Act, 2013 and other applicable laws, there can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

55. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize the Net Proceeds of the Offer and the Objects have not been independently appraised by a bank or a financial institution. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

We intend to use the Net Proceeds of the Offer for the purposes described in the section titled "Objects of the Offer" on page 111. The Objects of the Offer are: a) Funding capital expenditure requirement for the proposed expansion of our Dhule Facility; b) Repayment and/or pre-payment in part or full of certain borrowings availed by our Company and c) General Corporate Purposes.

The Objects of the Offer have not been appraised by any bank or financial institution, and certain our funding requirement is based on current conditions, internal estimates and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from that of any third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law.

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a monitoring agency for monitoring the utilization of Gross Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with

the SEBI ICDR Regulations. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoters would be liable to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement of our Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters' from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters of our Company will have adequate resources at its disposal at all times to enable it to provide an exit opportunity at the price prescribed by SEBI.

56. Our Promoters and members of our Promoter Group will be able to exercise significant influence and control over us after the Offer and may have interests that are different from or conflict with those of our other shareholders.

As on the date of this Red Herring Prospectus, our Promoters and Promoter Group collectively hold 99.77% of the paid-up Equity Share capital of our Company. Post-Offer, the Promoters will continue to collectively hold substantial shareholding in our Company. For details of their shareholding pre and post-Offer, see "*Capital Structure*" on page 93. By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters may be different from or conflict with our interests or the interests of our other shareholders in material aspects and, as such, our Promoters may not make decisions in our best interests.

57. Any non-compliance by our Company with changes in, safety, health and environmental legislations and other applicable laws, may adversely affect our business, results of operations and financial condition.

The operations of our Company are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal air and water discharges; on the storage, handling, discharge and disposal of waste, and other aspects of our operations. The Dhule Facility of our Company is equipped with SCADA based automation and hence the requirement of manpower is minimal, however, any accidents at our Dhule Facility or Kutch Facility may result in personal injury or loss of life of our workmen, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation claims which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

Our Company being into manufacturing of products, is also subject to the laws and regulations governing relationships with employees such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. Though, there have not been any instances of non-compliances by the Company having adverse impact on the business of the Company, we cannot assure you that we will not be involved in future non-compliances, litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which could turn out to be significant.

58. Our operations at our Manufacturing Facilities could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of March 31, 2024, we engaged 60 employees across our Kutch Facility, Dhule Facility and Registered Office collectively. Although during Fiscals 2024, 2023 and 2022 we have not experienced any material labour unrest, strikes or stoppages, we cannot assure you that we will not experience disruptions in work due to disputes or industrial accidents or other issues with our work force, which may adversely affect our ability to continue our manufacturing operations. As on March 31, 2024, March 31, 2023 and March 31, 2022, we collectively engaged 60, 54 and 58 employees across our Kutch Facility, Dhule Facility and Registered Office respectively and the attrition rate across our Company for Fiscals 2024, 2023 and 2022 was 12.28 %, 25.00 % and 11.01 % respectively. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These

adverse actions of the workmen are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

59. Our Promoters have extended personal guarantees for certain loan facilities availed by our Company. Revocation of any or all of these guarantees may adversely affect our business operations and financial condition.

Our Promoters- Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary have extended personal guarantees, for certain loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition. Our Promoters have entered into Agreement of Guarantee dated July 21, 2023 with Karur Vysya Bank Limited, Agreement of Guarantee dated January 19, 2017 with Karur Vysya Bank Limited, Agreement of Guarantee dated July 19, 2023 with Federal Bank Limited, Deed of Guarantee dated January 23, 2023 with Citi Bank Limited. One of our Promoters i.e., Sambhav Gautam Chowdhary has entered into agreement for loan and guarantee dated September 27, 2021 with HDFC Bank Limited. The table below sets forth the details of borrowings availed by our Company towards which the Promoters have extended personal guarantees.

Name of the Lender	Type of borrowing/facility	Name of Promoter Selling Shareholder who has extended personal guarantee	Sanctioned Amount (in ₹ million)	Obligations on our Company	Amount outstanding as on May 24, 2024
Federal Bank Limited	Term Loan and working capital facilities	Gouthamchand Sohanlal Chowdhary,	1,000.00	-	99.87
Citi Bank	Working Capital	Sambhav Gautam Chowdhary	250.00	-	167.88
Karur Vysya Bank Limited	Term Loan, Working Capital	and Shreyans Gautam Chowdhary	3,243.96	-	1,326.78
HDFC Bank Limited	Auto Loans	Sambhav Gautam Chowdhary	15.74	-	7.56
Mercedes-Benz Financial Services India Private Limited	Auto Loan	-	8.43	-	7.22

For further details, please refer to heading titled 'Details of guarantees given to third parties by Promoters offering their Equity Shares in the Offer' in chapter titled 'History and Certain Corporate Matters' on page 267 of this RHP.

In the event any of these guarantees are revoked or withdrawn, our lender may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lender enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lender may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations.

60. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter.

The Offer Price of the Equity Shares is proposed to be determined through a book-building process. The market price of the Equity Shares, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

61. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our secured debt has been availed at floating rates of interest. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. As per the Restated Consolidated Financial Statements, we have total borrowings (long term and short term including current maturity) outstanding amounting to ₹ 1,276.36 million, ₹ 1,117.00 million and ₹ 852.24 million as on Fiscals 2024, 2023 and 2022 respectively. Further, during the Fiscals 2024, 2023, 2022 our Company has incurred ₹ 107.38 million, ₹ 98.06 million and ₹ 90.85 million towards finance costs respectively.

If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “*Financial Indebtedness*” and ‘*Related Party Transactions*’ on page 390 and 307 of this RHP.

62. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively prevent and detect any frauds or misuse of funds. Any debit and credit transactions from the bank account of the Company require mandatory prior authorization by an authorized person of the Company depending upon the amount and purpose of the said transaction. Further, measures such as access control, reconciliation and review of bank balance and requisite documentation and bookkeeping are also implemented by the Company. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may decline over time. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. If internal control weaknesses are identified in a delayed manner, our actions may not be sufficient to correct such internal control weakness. Although there is no specific deficiency observed in internal controls having an adverse effect, any such instances in future may adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

63. Our Company in its ordinary course of business does not prepare or maintain a formal order book system.

Though the customers of our Company place purchase orders with us for the sale of our products, our Company in its ordinary course of business does not prepare or maintain a formal order book system. Hence, the historical data with respect to the order book is not available with our Company.

64. Extreme or sudden climate condition or change may have an impact on the business and profitability of our Company.

Our Company is in the ‘maize based speciality products industry and ingredient solutions’ and for the manufacturing of our Company’s product portfolio the primary raw material required is ‘maize’ (*Source: Frost & Sullivan Report*) and we meet our raw material requirements by way of procurement from mandis that are local market places and also directly from farmers harvesting maize.

Production of maize is dependent upon favourable weather conditions in the areas where we procure maize from such as Jalgaon, Nandurbar, Amalner and Malegaon in Maharashtra being the major farm growing regions. In the event of any harsh or unfavourable climate conditions in such maize producing regions, our Company may face a significant shortfall in its requirement of raw material. As on date of this RHP, our Company has not faced any instances in discontinuance or shortfall in supply of raw material by our suppliers due to adverse climate conditions, however, we also face the risk of one or more of our existing suppliers being unable due to factors beyond control to supply raw material to us. There is no assurance that we may be able to arrange raw material from alternate suppliers in a timely manner, or on commercially acceptable terms, which may adversely affect our operations.

65. The products manufactured by us may be subject to risk of being replaced by substitute products.

Our Company manufactures a variety of products including native maize starch, modified maize starch, yellow dextrin, white dextrin, liquid glucose, dried glucose solid, maltodextrin, liquid dextrose, dextrose monohydrate, liquid sorbitol and other co-products. For further details with respect to products manufactured by our Company, please refer to heading titled '*Broad description of Products and Applications*' in chapter titled '*Our Business*' on page 230 of this RHP.

Maize starch though seldom replicable, researchers and innovators are trying to replace it with starches from other crops such as rice, tapioca, and arrowroot (*Source: Company Commissioned F&S Report*). In the event any or all products of our Company are to be replaced by substitute products of same or low cost, the business, financials, profitability and demand for our products may be affected.

66. Our business to a certain extent is subject to counterparty credit risk

Counterparty credit risk refers to possible financial loss to the Company, if a customer or the counterparty fails to meet their respective payment obligations and in our case, the same arises principally from the Company's receivables from customers. Our Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors however, our Company does not have any established counterparty credit risk management policy.

As on 2024, 2023 and 2022, our trade receivables as per our Restated Consolidated Financials were ₹ 1,175.13 million, ₹ 912.04 million and ₹ 402.23 million respectively. Failure by counterparties to fulfil their payment obligations under the respective purchase orders, including failure to make timely payments as a result of industry driven downturns or otherwise, may also have an adverse effect on our cash flows and results of operations.

67. Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices.

Our customers in the usual course of business may negotiate for discounts in price of our products as the volume of their orders increase. Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future our business, results of operations and financial condition may be materially adversely affected.

68. Our business is dependent on our manufacturing operations of our strategically located Dhule Facility. Any shutdown of operations of our Dhule Facility may have an adverse effect on our business and results of operations.

We have two Manufacturing Facilities which are strategically located and concentrated in western region of India in Maharashtra at Dhule and in Gujarat at Kutch which cater to the domestic as well as export markets. The Manufacturing Facilities have a combined installed capacity of 3,63,000 tons per annum (1,100 tons per day).

As on March 31, 2024, our Dhule Facility had an installed capacity of 2,47,500 tons (750 TPD) and capacity utilization of 2,19,678 tons and our Kutch Facility had an installed capacity of 1,15,500 tons (350 TPD) and capacity utilization of 93,194 tons as certified by the Chartered Engineer Kirtesh Kumar G Shah, (The Institution of Engineers India, Membership No.: AM096642-0) *vide* certificate dated April 19, 2024. For further details

pertaining to installed capacity and capacity utilisation at our Manufacturing Facilities during the Fiscals 2024, 2023 and 2022, please refer to heading ‘Capacity and Capacity Utilisation’ in the chapter titled ‘Our Business’ on page no. 250 of this RHP.

We intend to utilize upto ₹ 1,815.55 million out of the Net Proceeds for funding capital expenditure requirements for the proposed expansion of our Dhule Facility by installing additional machineries and equipment to further increase our installed capacities by 1,000 tons per day and hence our manufacturing operations are further exposed to risk of concentration.

For further details, please refer to heading titled ‘Our strategically located, sustainability driven, state of the art manufacturing facilities’ in chapter titled “Our Business” on page 236 of the RHP. We cannot assure you that we will not go through closure or shutdown of our Dhule Facility in the future. Any extended power supply interruption may result in reduced manufacturing at the Dhule Facility. We have installed a bio-gas plant with a capacity of 1.56 megawatt and solar plant of 3.6 megawatt capacity at the Dhule Facility to generate electricity from environment friendly, sustainable means. For further details, please refer to heading titled ‘Utilities – Electricity and Water’ in chapter titled “Our Business” on page 251. Any shortage or interruption in the supply of electricity may adversely affect our operations and increase our production costs. This could lead to delays in manufacturing and delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationships. Our Dhule Facility uses state of the art equipment and machinery, and the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements which may require considerable time and expense and as a result, our results of operations and financial condition could be adversely affected.

69. Our inability to meet the government incentive requirements may adversely affect our business operations.

Our Company is entitled for benefits under Government of Maharashtra Industries, Energy and Labour Department - Package Scheme of Incentives – 2007 (**‘2007 Scheme’**) including electricity duty exemption, stamp duty exemption, reimbursement of expenditure incurred on account of Employers contribution towards employee state insurance and employee provident fund, industrial promotion subsidy in accordance with the terms and conditions of the 2007 Scheme.

Our business operations may be affected in future if any of the above benefits are reduced or withdrawn prematurely in relation to these benefits. Further, our inability to avail the incentives under the 2007 Scheme would make our Company less competitive.

70. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. As on date of this RHP, the Company has not declared any dividends to its shareholders. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, please refer to chapter titled “Dividend Policy” on 304 of this Red Herring Prospectus.

71. Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.

Our Company’s business is exposed to the risk of employee misappropriation, fraud, misconduct and negligence. Our employees could make improper use or disclose confidential and proprietary information of sensitive nature, which could result in regulatory sanctions and serious reputational or financial harm. While we take significant efforts to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill,

business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

72. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.

Our restated consolidated financial statements comprising of the restated consolidated statement of assets and liabilities as at Fiscal 2024 and restated standalone statement of assets and liabilities as at Fiscal 2023 and Fiscal 2022, the restated consolidated statements of profit and loss (including other comprehensive income) during Fiscal 2024, the restated standalone statements of profit and loss (including other comprehensive income) during Fiscal 2023 and Fiscal 2022, the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for Fiscal 2024, the restated standalone statement of cash flows and the restated standalone statement of changes in equity for Fiscal 2023 and Fiscal 2022, have been prepared in accordance with the Ind AS.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Consolidated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

73. Our Company's future funding requirements, in the form of further issue of capital or other securities and/or loans taken by us, may turn out to be prejudicial to the interest of the shareholders depending upon the terms and conditions on which they are raised.

Our Company may require additional capital from time to time depending on our business needs and commercial strategies formulated by the management of our Company. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

External Risk Factors

74. The outbreak and after-effects of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition, cash flows and results of operations.

The outbreak, of any severe communicable disease, as seen in the recent outbreak and aftermath of COVID-19, could materially and adversely affect business sentiment and environment across industries. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and lockdowns. These measures have impacted and may further impact our workforce and operations and also the operations of our clients. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. During the lockdown period in response to the COVID-19 pandemic, our Company had certain interim measures in place to ensure business and operational continuity. Our employees worked remotely. However, certain of our operations are dependent on various information technology systems and applications which may not be adequately supported by a robust business continuity plan, which could impact our business in the event of a disaster of any nature. Although we continue to devote resources and management focus, there can be no assurance that these programs will operate effectively.

75. Natural disasters, acts of war, terrorist attacks and other events could materially and adversely affect our business and profitability.

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our Manufacturing Facilities. Such closures may disrupt our business operations and adversely affect our results of operations. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our clients.

Moreover, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares.

76. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

The industry in which we operate is continually changing due to technological advances, scientific discoveries, with the constant introduction of new and enhanced products. These changes result in the frequent introduction of new products and significant price competition. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current international standards, we cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to cater for the specific requirements of our new products, geographical requirements, marketing needs, our customers' needs or that the technology developed by others will not render our products less competitive or attractive. In addition, the new technologies we adopt from time to time may not perform as expected. The cost of implementing new technologies for our operations could be significant, which could adversely affect our business, financial condition, cash flows and results of operations.

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

78. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a

market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through the book building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

79. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act, 2002, of India, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India (“**AAEC**”). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

80. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.*

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions such as increased tensions between India and China. We are incorporated in India, and our operations are located in India and other emerging markets across the world. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market’s principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries. For example, the recent unrest on the Indo-China border led to retaliation by India and escalated hostilities between India and China;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in the relevant country’s principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;

- instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or the emerging markets. Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

81. It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.

Our Company is incorporated as a public limited company under the laws of India and all of our directors and executive officers reside in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “**Civil Code**”). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

82. Indian legal principles may differ from those that would apply to a company in another jurisdiction. Thus, rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights, including in relation to class actions, under Indian law may not be similar to shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

83. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple and market capitalization, among others.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the

Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as the mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

In the event our Equity Shares are subject to such pre-emptive surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares and the same may in cause disruptions in the development of an active trading market for our Equity Shares.

84. We cannot assure that prospective investors will be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

85. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets have experienced significant volatility from time to time. The regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States, Europe and certain economies in Asia. Instability in the global financial markets has negatively affected the Indian economy in the past and may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector and business in the future. For instance, recent concerns relating to the United States and China trade tensions have led to increased volatility in the global capital markets. In addition, the United States, the United Kingdom and Europe are some of India's major trading partners, and there are rising concerns of a possible slowdown in these economies.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to improve the stability of the global financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts is uncertain, and they may not have had the intended stabilising effects. Adverse economic developments overseas in countries where we have operations or other significant financial disruptions could have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

86. Holdings of the prospective investors may be diluted by additional issuances of Equity Shares by our Company, including grants of stock options under any future employee stock option plans implemented by our Company, which may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition and adversely affect the market price of our Equity Shares. Further, any sales of Equity Shares by our Promoters and other shareholders in the future may also adversely affect the market price of our Equity Shares.

Any future issuance of our Equity Shares by us or the possibility of such issuance could adversely affect the market price of our Equity Shares. Any Grants of stock options result in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in future periods. Any issuance of the equity or equity-linked securities by us, including through exercise of any future employee stock options or similar schemes that our Company may implement we may implement in the future, may dilute your shareholding in our Company, adversely affecting the trading price of the Equity Shares and our ability to raise capital through an issuance of

new securities. Additionally, Equity Shares (and convertible debt securities to finance future acquisitions or other business activities) may be issued at prices below the then-current market price or below the Offer Price, which may also adversely affect the market price of our Equity Shares.

Any sales (or pledge or encumbrance) of substantial amounts of our Equity Shares in the public market after the completion of the Offer by our major shareholders, including our Promoters (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and materially impair our future ability to raise capital through offerings of our Equity Shares.

87. You may be subject to Indian taxes arising out of capital gains on sale of the Equity Shares, which will adversely affect any gains made upon sale of Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognized stock exchange, held for more than 12 months immediately preceding the date of transfer, will be subject to long term capital gains in India, at the rate of 10% (plus applicable surcharge and cess). This beneficial rate is, inter alia, subject to payment of Securities Transaction Tax (“STT”). Further, any gain realized on the sale of equity shares in an Indian company held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the applicable rates (plus applicable surcharge and cess).

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Such gains will be subject to tax at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

88. Foreign investors are subject to restrictions prescribed under Indian laws that may limit their ability to transfer shares and thus our ability to attract foreign investors, which may have an adverse impact on the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all. For further information, also see “Restrictions on Foreign Ownership of Indian Securities” and “Offer Procedure”, beginning on pages 452 and 430 respectively, of this Red Herring Prospectus. Our ability to attract further foreign investment, or the ability of foreign investors to transact in the Equity Shares may accordingly be limited, which may also have an impact on the market price of the Equity Shares.

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

Under the Companies Act, a company that has share capital and is incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the approval of a special resolution by our Company. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian

receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

90. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the submission of their Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after the Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non – Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. While we are required to complete Allotment, within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION – III INTRODUCTION

THE OFFER

The following table summarizes details of the Offer

Offer of Equity Shares ⁽¹⁾	Up to 53,700,000 Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
Fresh Issue ⁽¹⁾	Up to 41,800,000 Equity Shares, aggregating up to ₹ [●] million
Offer for Sale ⁽²⁾	Up to 11,900,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders.
The Offer comprises of:	
A. QIB Portion ⁽³⁾⁽⁴⁾	Not more than 26,850,000 Equity Shares aggregating to ₹ [●] million
<i>of which:</i>	
(i) Anchor Investor Portion	Up to 16,110,000 Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to 10,740,000 Equity Shares
<i>of which:</i>	
a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to 537,000 Equity Shares
b. Balance for all QIBs including Mutual Funds	Up to 10,203,000 Equity Shares
B. Non-Institutional Portion	Not less than 80,55,000 Equity Shares aggregating to ₹ [●] million
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 200,000 to ₹ 1,000,000	Up to 2,685,000 Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1,000,000	Up to 5,370,000 Equity Shares
C. Retail Portion ⁽⁵⁾	Not less than 18,795,000 Equity Shares aggregating to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Red Herring Prospectus)	140,444,250 Equity Shares
Equity Shares outstanding post the Offer	[●] Equity Shares
Use of Net Proceeds	See “ <i>Objects of the Offer</i> ” on page 111 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by a resolution of our Board dated December 15, 2023 and June 27, 2024, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 18, 2023 and June 28, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated June 27, 2024.

(2) Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, and are accordingly eligible for being offered for sale in the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Further, the Selling Shareholders neither directly or indirectly, through themselves or through any other person(s) or entity(s) will be involved in allocation or pricing of the Offer in any manner whatsoever.

Name of the Selling Shareholder	Equity Shares offered in the Offer for Sale (up to)	Date of consent letter
Gouthamchand Sohanlal Chowdhary	500,000	June 27, 2024
Rani Gouthamchand Chowdhary	3,800,000	June 27, 2024
Sambhav Gautam Chowdhary	500,000	June 27, 2024
Shreyans Gautam Chowdhary	500,000	June 27, 2024
Richa Sambhav Chowdhary	3,300,000	June 27, 2024
Samiksha Shreyans Chowdhary	3,300,000	June 27, 2024
Total	11,900,000	-

For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 404.

- (3) Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining 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 to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 430.
- (4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. In the event of an under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.

Allocation to Bidders in all categories, except the Anchor Investor Portion, if any, Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each of the RIBs and the NIBs, shall not be less than the minimum Bid Lot or minimum application size, as the case maybe, subject to availability of Equity Shares in the Retail Portion or the Non-Institutional Portion, respectively, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1,000,000 and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other subcategory of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis.

For further details, including in relation to grounds for rejection of Bids, refer “Offer Procedure” on page 430

For further details of the terms of the Offer, refer to “Terms of the Offer” on page 417.

SUMMARY OF FINANCIAL STATEMENTS

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Statements as at and for the Fiscals 2024, 2023 and 2022.

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SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets			
Non-Current assets			
a) Property, Plant and Equipment	2,021.26	1,957.45	1,331.36
b) Capital work-in-progress	204.70	9.09	32.65
c) Financial Assets			
(i) Investments	1.62	1.52	-
(ii) Other financial assets	12.96	20.76	1.69
Total Non-Current assets	2,240.54	1,988.82	1,365.70
Current assets			
a) Inventories	1,140.26	265.31	126.50
b) Financial Assets			
(i) Trade Receivables	1,175.13	912.04	402.23
(ii) Cash and Bank Balances			
Cash and Cash Equivalents	31.75	62.70	6.43
Bank balance other than cash and cash equivalents	19.80	3.76	11.71
(iii) Other financial assets	5.74	4.10	0.09
c) Current Tax Assets (Net)	-	5.59	-
d) Other Current Assets	662.47	441.19	161.87
Total Current assets	3,035.15	1,694.69	708.83
Total Assets	5,275.69	3,683.51	2,074.53
Equity and Liabilities			
Equity			
a) Equity Share Capital	280.89	280.89	295.00
b) Other Equity	2,256.73	1,590.42	557.14
Total Equity	2,537.62	1,871.31	852.14
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	309.20	342.81	575.40
(ii) Other Financial Liabilities	-	0.20	0.50
b) Provisions	-	0.82	0.37
c) Deferred Tax Liabilities (net)	317.46	255.22	109.57
Total Non-Current Liabilities	626.66	599.05	685.84
Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	967.16	774.19	276.84
(ii) Trade and Other Payables			
a) Total Outstanding due to MSME	6.39	12.82	5.50
b) Total Outstanding due to other than MSME	953.38	290.00	174.97
(iii) Other Financial Liabilities	16.06	27.70	2.64
b) Other current liabilities	34.81	61.25	44.35
c) Provisions	45.66	36.98	24.67
d) Current Tax Liabilities (Net)	87.95	10.21	7.58
Total Current Liabilities	2,111.41	1,213.15	536.55
Total Equity And Liabilities	5,275.69	3,683.51	2,074.53

SUMMARY OF RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations	10,672.71	12,050.67	5,044.02
Other Income	144.12	46.01	3.65
Total Income	10,816.83	12,096.68	5,047.67
Expenses			
Cost of Materials Consumed	8,329.30	9,588.56	3,915.23
Purchases of Stock-in-Trade	-	11.61	-
Changes in inventory of finished goods, work in process and stock in trade	(66.78)	24.84	(44.44)
Employee Benefit Expenses	219.58	193.25	104.75
Finance Costs	107.38	98.06	90.85
Depreciation and Amortization Expense	120.91	118.54	90.17
Other Expenses	1,209.20	1,507.94	671.28
Total Expenses	9,919.59	11,542.80	4,827.84
Restated Profit Before Tax	897.24	553.88	219.83
Tax Expense:			
Current Tax	166.87	53.76	56.84
Deferred Tax	62.70	82.07	3.78
Total Tax Expenses	229.57	135.83	60.62
Restated Profit for the period/year	667.67	418.05	159.21
Other Restated Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans	(1.92)	0.99	0.36
(b) Equity Instruments through Other Comprehensive Income	0.11	0.06	-
Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans	0.48	(0.25)	(0.09)
(b) Equity Instruments through Other Comprehensive Income	(0.03)	(0.01)	-
Other Comprehensive Income for the year, net of tax	(1.36)	0.78	0.27
Total Restated Comprehensive Income for the year, net of tax	666.31	418.83	159.48
Earnings per Share – (Face value of ₹ 10/- each) Basic and Diluted in ₹	23.77	14.88	5.40
Earnings per Share – (Face value of ₹ 2/- each) Basic and Diluted in ₹	4.75	2.98	1.08

SUMMARY OF RESTATED CONSOLIDATED CASH FLOW STATEMENT

(₹ in Million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
A. Cash Flow From Operating Activities			
Profit Before Income Tax	897.24	553.88	219.83
Adjustments For:			
Depreciation and Amortisation Expenses	120.91	118.54	90.17
Finance Income	(13.35)	(7.64)	(0.39)
Expected Credit Losses	3.95	0.20	0.04
Finance Cost	107.38	98.06	87.24
Operating profit before Working Capital Changes	1,116.13	763.04	396.89
Movements in Working Capital :			
(Increase) / decrease in Inventories	(874.95)	(138.82)	19.79
(Increase) / decrease in Trade Receivables	(267.04)	(510.00)	(193.45)
(Increase) / decrease in Other Financial Assets	6.17	(23.08)	0.20
(Increase) / decrease in Current Assets	(221.28)	(279.32)	33.62
(Increase) / decrease in Financial Assets	-	-	2.00
(Increase) / decrease in Bank balance other than cash and cash equivalents	(16.04)	7.95	(11.60)
Increase / (decrease) in Trade Payables	656.96	122.34	85.67
(Increase) / decrease in Current Taxes	83.33	(2.95)	8.45
Increase / (decrease) in Provision	7.85	12.77	(0.09)
Increase / (decrease) in Other Financial Liabilities	(11.84)	24.76	-
(Increase) / decrease in Loans	-	-	(1.48)
Increase / (decrease) in Other Liabilities	(26.45)	16.90	13.97
Cash flow from operations	452.84	(6.41)	353.98
Direct Taxes Paid (Net of Refunds)	(166.87)	(53.76)	(56.84)
Net Cash Flow From Operating Activities (A)	285.97	(60.17)	297.14
B. Cash Flows From Investing Activities			
Payment for Purchase of Property, Plant and Equipment	(408.12)	(746.51)	(17.80)
(Increase) / decrease in Loans	-	-	(27.58)
Payment for Capital Work in Process	-	23.56	-
Proceeds from sale of Assets	27.78	1.88	-
Purchase of Investment	(1.91)	(0.48)	-
Finance Income	13.35	7.64	0.39
Net Cash Flow from Investing Activities (B)	(368.90)	(713.88)	(44.99)
C. Cash Flows From Financing Activities			
Increase in General Reserve	-	495.71	-
Increase in Security Premium	-	30.05	-
Repayment & Proceeds of Long-Term Borrowings	(33.61)	(232.59)	(219.25)
Repayment & Proceeds from Short-Term Borrowing	192.97	497.35	56.21
Proceeds from Issuance of Share Capital	-	(14.11)	-

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Increase in Capital Reserve	-	16.03	-
Increase in Capital Redemption Reserve	-	0.25	-
Increase / (Decrease) in Retained Earning	-	130.49	-
Increase / (Decrease) in OCI	-	5.23	-
Finance Cost	(107.38)	(98.06)	(87.24)
Net Cash Flow from Financing Activities (C)	51.98	830.35	(250.28)
D. Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)	(30.96)	56.30	1.87
E. Cash & Cash Equivalents at the beginning of the year / period	62.70	6.43	4.56
F. Cash & Cash Equivalents at the end of the year / period	31.75	62.70	6.43
Total Component of Cash and Cash Equivalents			
Cash on hand	0.73	1.48	0.61
Balances with Scheduled Bank			
- In Current Accounts	0.34	60.20	2.26
- Fixed Deposits with original maturity of less than three months	30.68	1.02	3.56
Cash and Cash Equivalents at the end of the year / period	31.75	62.70	6.43

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on "Statement of Cash Flows"

2. Previous years figures have been regrouped/rearranged/recast wherever necessary to conform to this year's classification

GENERAL INFORMATION

Our Company was incorporated as ‘*Continental Papers Limited*’ under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana on February 26, 1982. The name of our Company was subsequently changed to ‘*Sanstar Limited*’, upon change of name, pursuant to a board resolution dated March 9, 2012 and a shareholder resolution dated March 16, 2012, and a fresh certificate of change of name was issued on April 2, 2012 by the Registrar of Companies, Delhi and Haryana.

Corporate Identity Number: U15400GJ1982PLC072555

Company Registration Number: 072555

Registered Office:

Sanstar Limited

Sanstar House, Near Parimal Under Bridge,
Opposite Suvidha Shopping Centre, Paldi,
Ahmedabad – 380 007, Gujarat, India.

For details in relation to the changes in the registered office of our Company, see “*History and Certain Corporate Matters – Changes in our registered office*” on page 262.

Address of the Registrar of Companies

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

The Registrar of Companies, Ahmedabad at Gujarat

ROC Bhavan, Naranpura,
Ahmedabad - 380 013,
Gujarat, India.

Board of Directors

Our Board comprises the following Directors as on the date of filing of this Red Herring Prospectus:

Name	Designation	DIN	Address
Gouthamchand Sohanlal Chowdhary	Managing Director	00196397	13 Mahaveer Society, near Mahalaxmi Cross Road, Paldi, Ahmedabad – 380007, Gujarat, India.
Sambhav Chowdhary	Joint Managing Director	01370802	13 Mahaveer Society, near Mahalaxmi Cross Road, Paldi, Ahmedabad – 380007, Gujarat, India.
Shreyans Chowdhary	Joint Managing Director	01759527	13 Mahaveer Society, near Mahalaxmi Cross Road, Paldi, Ahmedabad – 380007, Gujarat, India.
Sejal Ronak Agrawal	Independent Director	09376887	7 Ritu Apartment, Nilima Park Society, near Ashutosh society, Maninagar, Ahmedabad – 380008, Gujarat, India.
Aniket Sunil Talati	Independent Director	02724484	4 Rushil, Judges Bungalows Road, Ahmedabad – 380054, Gujarat, India.
Atul Agarwal	Independent Director	10373422	B-9, Vivekanand Puri, New Hyderabad, Lucknow – 226007, Uttar Pradesh, India.

For brief profiles and further details of our directors, see “*Our Management – Brief Biographies of our Directors*” on page 274.

Company Secretary and Compliance Officer

Fagun Harsh Shah is the Company Secretary and Compliance Officer. Her contact details are as follows:

Sanstar Limited

Sanstar House, Near Parimal Under Bridge,
Opposite Suvidha Shopping Centre, Paldi,
Ahmedabad – 380 007, Gujarat, India.

Telephone: +91 79 26651819

E-mail: cs@sanstar.in

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Book Running Lead Manager giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Manager

Pantomath Capital Advisors Private Limited

Pantomath Nucleus House, Saki Vihar Road,
Andheri East, Mumbai – 400072
Maharashtra, India

Telephone: 18008898711

Email: sanstar.ipo@pantomathgroup.com

Investor Grievance Id: investors@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Ritu Agarwal/ Kaushal Patwa

SEBI Registration Number: INM000012110

Statement of inter-se allocation of responsibilities among lead manager(s).

Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to the Offer and hence, all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them

Syndicate Members

Asit C. Mehta Investment Intermediates Limited

Pantomath Nucleus House,
Saki Vihar Road, Andheri East,
Mumbai – 400 072, Maharashtra, India

Telephone: +91 22 2858 3333

Email: manju.makwana@acm.co.in

Website: <https://www.investmentz.com>

Contact person: Manju Makwana

SEBI Registration No.: INZ000186336

Pentagon Stock Brokers Private Limited (formerly known as Pantomath Stock Brokers Private Limited)

Pantomath Nucleus House,
Saki Vihar Road, Andheri East,
Mumbai – 400 072, Maharashtra, India

Telephone: +91 22 42577000

Email: vijay.singh@pentagonbroking.com

Website: <https://www.pentagonbroking.com/>

Contact person: Vijay Singh

SEBI Registration No.: INZ000068338

Legal Counsel to the Offer

M/s. Crawford Bayley & Co.

State Bank Building, 4th Floor
NGN Vaidya Marg
Fort, Mumbai – 400 023
Maharashtra, India.

Telephone: +91 22 2266 3353

Contact Person: Sanjay K. Asher

Email id: sanjay.asher@crawfordbayley.com

Statutory Auditor to our Company

M/s S.C. Bapna & Associates

Chartered Accountants
414, Hubtown Viva,
Western Express Highway,
Shankarwadi, Jogeshwari (East),
Mumbai – 400060

Telephone: 022-28386765

Email: mumbai@scbapna.in

Firm Registration Number: 115649W

Peer Review Number: 014792

Contact person: Vijay Jain

Changes in Statutory Auditors

Except as mentioned below, there has been no change in our statutory auditors in the three years preceding the date of this Red Herring Prospectus:

Particulars	Date of change	Reason
M/s S.C. Bapna & Associates Chartered Accountants Telephone: 022-28386765 Email: mumbai@scbapna.in Firm Registration Number: 1156C Peer review number: 014792	September 30, 2023	Appointment of the Peer Reviewed Statutory Auditors of our Company.

M/s Kamal M Shah & Co., Chartered Accountants Telephone: +91 9016551747 Email: kamalca2008@gmail.com Firm Registration Number: 130266W	September 30, 2023	Resigned as the audit firm was not holding a valid Peer Reviewed Certificate.
M/s Nahta Jain & Associates Chartered Accountants Telephone: +91 9714106383 Email: info@nahtajainandassociates.com Firm Registration Number: 106801W	September 30, 2021	Appointment as the statutory auditors of our Company. Completion of tenure as the statutory auditors of our Company.

Bankers to our Company

Karur Vysya Bank Limited

1st Floor Motilal Centre, Ashram Road,
near Sales India Showroom,
Ahmedabad - 380009
Telephone: +91 7575011042
E-mail ID: cbuahmedabad@kvbmail.com
Website: www.kvb.com
Contact Person: Ketki V Shah (Relationship Manager)

The Federal Bank Limited

GF#11, Zodiac Square, Opposite Gurudwara,
S.G. Highway, Ahmedabad – 380054,
Gujarat.
Telephone: +91 90990 19501
Email ID: siddharthsj@federalbank.co.in
Website: <https://www.federalbank.co.in/>
Contact Person: Siddharth Jhala

Citibank N.A.,

1st Floor Kalapurnam, near Municipal Market,
C G Road, Ahmedabad - 380 009
Telephone: 079 40015815
Email ID: kandarp.kansara@citi.com
Website: <https://www.online.citibank.co.in/>
Contact Person: Kandarp Kansara

Registrar to the Offer

Linkintime India Private Limited

Reg office: C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West,
Mumbai - 400 083, Maharashtra, India.
Telephone: +91 8108114949
Email and Investor Grievance Id: sanstar.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Escrow Collection Bank, Refund Bank and Sponsor Bank

Axis Bank Limited

S G Highway Branch,
Ground Floor, Balleshwar Avenue,
Opposite Rajpath Club, S G Highway,
Ahmedabad – 380 054, Gujarat, India
Telephone: +91 8758101081

Email Id: archita.shah@axisbank.com
Website: www.axisbank.com
Contact Person: Archita Shah
SEBI Registration Number: INBI00000017

Public Offer Account Bank and Sponsor Bank

HDFC Bank Limited

FIG - OPS Department,

Lodha – I Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station, Kanjurmarg (East),
Mumbai – 400 042, Maharashtra, India.

Telephone: +91 022-30752914 / 28 / 29

Email Id - siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, eric.bacha@hdfcbank.com,
tushar.gavankar@hdfcbank.com, pravin.teli2@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Eric Bacha/ Sachin Gawade / Pravin Teli / Siddharth Jadhav / Tushar Gavankar

SEBI Registration Number: INBI00000063

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx> and <https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm>, or any such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, or any such other websites as updated from time to time.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 21, 2024 from the Statutory Auditor, namely, M/s S.C. Bapna & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated May 16, 2024 on the Restated Consolidated Financial Statements; (ii) their report dated May 21, 2024 on the statement of possible special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Further, our Company has received written consents dated April 19, 2024 from Kirtesh Kumar G Shah, as chartered engineer to include his name as an ‘expert’ as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated April 19, 2024 on installed capacity, actual utilisation at our Manufacturing Facilities and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

In addition, our Company has received written consent dated December 30, 2023 from PCS Alpesh Paliwal proprietor of Paliwal & Co. Company Secretaries and Registered Trademark Agents to include his name as an ‘expert’ as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of his search report dated November 15, 2023 and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent dated May 25, 2024 from K. Jatin & Co., Company Secretaries to include their name as an ‘expert’ as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of their letter dated May 10, 2024 and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Monitoring Agency

In compliance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed Acuite Ratings & Research Limited, a credit rating agency registered with SEBI, as the monitoring agency to monitor utilization of the Net Proceeds. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” on page 111. The details of the Monitoring Agency are as follows:

Acuite Ratings & Research Limited

708, Lodha Supremus,
Lodha iThink Techno Campus, Kanjurmarg (East),
Mumbai – 400 042, Maharashtra, India.

Telephone: +91 99698 98000

Email Id: chitra.mohan@acuite.in

Website: www.acuite.in

Contact Person: Chitra Mohan, VP- Compliance & Company Secretary

SEBI Registration Number: IN/CRA/006/2011

Appraising Entity

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

Credit Rating

As this is an offer of Equity Shares, credit rating is not required for the Offer.

IPO Grading

As this is an offer of Equity Shares, credit rating is not required for the Offer and hence, no credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of this Red Herring Prospectus

A copy of the Draft Red Herring Prospectus has been filed electronically through the SEBI's online intermediary portal at <https://siportal.sebi.gov.in/intermediary/index.html>, in accordance with SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. A copy of this Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Ahmedabad, at Gujarat and through the electronic portal at <https://www.mca.gov.in/content/mca/global/en/foportal/fologin.html>

It will also be filed with the SEBI at the following address:

Securities and Exchange Board of India

SEBI Head Office
SEBI Bhavan Plot No. C4-A,
“G” Block Bandra Kurla Complex Bandra (East),
Mumbai – 400 051, Maharashtra, India

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms and the revision forms within the Price Band, which will be decided by our Company, in consultation with the BRLM, and if not disclosed in this Red Herring Prospectus, will be advertised all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Ahmedabad edition of Prabhat, an Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat where the Registered Office our Company is situated) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The

Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date. For further details, see “Offer Procedure” on page 430.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

Bidders should note the Offer is also subject to: (i) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within three Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law, and (ii) acknowledgment of the RoC for filing of the Prospectus with the RoC.

For further details on the method and procedure for Bidding, see “Offer Structure”, “Offer Procedure” and “Terms of the Offer” on pages 425, 430 and 417 respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure” on page 430.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus. After the determination of the Offer Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

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

The above-mentioned is indicative underwriting amount and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, will at its meeting accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on date of this Red Herring Prospectus and after giving effect to the Offer is set forth below:

Sr. No.	Particulars	Amount (in ₹ Million, except share data)	
		Aggregate value at nominal value	Aggregate value at Offer Price
A.	Authorised Share Capital⁽¹⁾		
	190,000,000 Equity Shares of face value of ₹2/- each.	380.00	-
B.	Issued, Subscribed and Paid-Up Equity Share Capital before the Offer		
	140,444,250 Equity Shares of face value of ₹2/- each.	280.89	-
C.	Present Offer		
	Offer up to 53,700,000 Equity Shares of face value of ₹2 each aggregating upto ₹ [●] million. ⁽²⁾	Upto [●]	[●]
	<i>Of which</i>		
	Fresh Issue of up to 41,800,000 Equity Shares of face value of ₹2/- each at a Price of ₹ [●] per Equity Share aggregating to up to ₹ [●] million.	Upto [●]	[●]
	Offer for Sale of up to 11,900,000 Equity Shares by the Selling Shareholders of face value of ₹2/- each at a Price of ₹ [●] per Equity Share aggregating to up to ₹ [●] million. ⁽³⁾	Upto [●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Offer		
	[●] Equity Shares of face value of ₹2/- each.	[●]	-
E.	Securities Premium Account		
	Before the Offer		79.55 [^]
	After the Offer		[●]

⁽¹⁾For details in relation to change in authorized share capital of our Company in last ten (10) years, please refer to chapter titled "History and Certain Corporate Matters – Amendments to the Memorandum of Association.

⁽²⁾The present Offer has been authorised by a resolution of our Board dated December 15, 2023 and June 27, 2024, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 18, 2023 and June 28, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated June 27, 2024.

⁽³⁾Each of the Selling Shareholders, severally and not jointly confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, and are accordingly eligible for being offered for sale in the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 404.

[^]As per the Restated Consolidated Financial Statements.

Classes of Shares

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹2/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

Details of changes in authorized share capital of our Company since incorporation

For details in relation to the changes in the authorised share capital of our Company during the past 10 years, please refer to the section entitled “*History and Certain Corporate Matters– Amendments to our Memorandum of Association*” on page 262.

NOTES TO CAPITAL STRUCTURE

1. History of Equity Share capital of our Company

The following table sets forth details of the history of paid-up Equity share capital of our Company:

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative number of Equity Shares	Cumulative paid –up Capital (₹)
March 31, 1982*	700	10	10	Cash ⁽¹⁾	Subscription to Memorandum of Association ⁽¹⁾	700	7,000
November 13, 1982 [#]	499,300	10	10	Further Issue ⁽²⁾	Cash	500,000	5,000,000
December 8, 1983 [#]	500,000	10	10	Further Issue ⁽³⁾	Cash	1,000,000	10,000,000
April 26, 1985 [#]	3,000,000	10	10	Rights Issue in the ratio of 3 Equity Shares for every 1 Equity Share held. ⁽⁴⁾	Cash	4,000,000	40,000,000
March 28, 1994 [#]	6,000,000	10	10	Further Issue ⁽⁵⁾	Cash	10,000,000	100,000,000
March 16, 2012	10,000,000	10	-	Bonus Issue in the ratio of 1 Equity Share for every 1 Equity Share held by shareholders. The same was authorized by a resolution of our Board dated March 9, 2012 and resolution passed by our shareholders in the EGM held on March 16, 2012 ⁽⁶⁾	-	20,000,000	200,000,000
March 30, 2012	5,000,000	10	10	Further Issue ⁽⁷⁾	Cash	25,000,000	250,000,000
December 28, 2013	4,500,000	10	21	Further Issue ⁽⁸⁾	Cash	29,500,000	295,000,000
November 25, 2023	3,068,850	10	-	Allotment pursuant to Scheme of Amalgamation ^{(9)§}	-	28,088,850 [^]	280,888,500

Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
28,088,850 equity shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each.							
-	-	-	-	-	-	140,444,250	280,888,500

*Our Company was incorporated on February 26, 1982. The date of subscription to the Memorandum of Association was March 31, 1982.

^Pursuant to the scheme of amalgamation entered into our Company and Sanstar Biopolymers Limited (**Transferor Company**) and approved by NCLT, Ahmedabad vide order dated November 23, 2023, 4,480,000 equity shares of face value ₹10/- each held by Transferor Company in our Company stood cancelled without any further act, instrument or deed with effect from the effective date i.e., November 23, 2023.

#We have relied upon the disclosures forming part of minutes of meetings of the Board, to ascertain the details of the issue of Equity Shares, the nature of allotment and the nature of consideration, since Form-2 for the respective allotment is not traceable in the records of the Company and also not maintained in the records of the RoC, as certified by Alpesh Paliwal – Company Secretary in Practice, vide his search report dated November 15, 2023 and PCS K Jatin & Co., vide search report dated May 10, 2024. For further information, please refer to Risk Factor No. 15 titled “We are unable to trace our historical secretarial records prior to calendar year 2006. In the event we are found not to be in compliance with any applicable laws in relation to the missing secretarial records, we may be subject to regulatory actions or penalties for any such possible non-compliance and our business, financial condition and reputation may be adversely affected.” on page 45. The non-availability of Form-2 (Return of Allotment) pursuant to allotments of equity shares of the Company dated November 13, 1982, December 08, 1983, April 26, 1985 and March 28, 1994 was intimated to RoC and MCA vide Company’s letter dated May 15, 2024 (“Intimation Letter”) delivered to RoC on May 15, 2024 and to head office of MCA on May 18, 2024. The Intimation Letter is included under the heading ‘Material Documents’ in the chapter titled ‘Material Contracts and Documents for Inspection’ on page 491 of this RHP

Notes:

⁽¹⁾Subscription of to the MoA for the total of 700 Equity Shares to Chetlal Verma (100 Equity Shares), Sohan Singh Basi (100 Equity Shares), Rajeshwar Kumar Rekhi (100 Equity Shares), Chander Kumar Verma (100 Equity Shares), Jagtar Singh Basi (100 Equity Shares), Vijay Kumar Verma (100 Equity Shares) and Ashok Kumar Verma (100 Equity Shares).

⁽²⁾Allotment of total 499,300 Equity Shares to Continental Construction Private Limited (490,000 Equity Shares), S.S. Basi (3,600 Equity Shares), C.L. Verma (3,600 Equity Shares), R.K. Rekhi (1,000 Equity Shares), Usha Rekhi (1,000 Equity Shares), O.P. Chadha (20 Equity Shares), H.P. Nandi (20 Equity Shares), A.K. Jain (20 Equity Shares), Vijay Seghal (20 Equity Shares), H. D. Sharma (20 Equity Shares).

⁽³⁾Allotment of 500,000 Equity Shares to Continental Construction Limited.

⁽⁴⁾Allotment of total 3,000,000 Equity Shares to S.S. Basi (14,310 Equity Shares), C.L. Verma (6,510 Equity Shares), Chander Kumar Verma (2,900 Equity Shares), Ashok Kumar Verma (2,900 Equity Shares), Jagtar Singh Basi (300 Equity Shares), Vijay Kumar Verma (2,900 Equity Shares), Continental Construction Limited (2,970,000 Equity Shares), O.P. Chadha (60 Equity Shares), H. Nandi (60 Equity Shares), A.K. Jain (60 Equity Shares).

⁽⁵⁾Allotment of 6,000,000 Equity Shares to Continental Construction Limited.

⁽⁶⁾Bonus issue of total 10,000,000 Equity Shares to Gouthamchand Sohanlal Chowdhary (2,002,900 Equity Shares), Sambhav Gautam Chowdhary (2,000,000 Equity Shares), Shreyans Gautam Chowdhary (2,000,000 Equity Shares), Rani Gouthamchand Chowdhary (490,000 Equity Shares), Richa Sambhav Chowdhary (500,000 Equity Shares), Sambhav Starch Products Private Limited (990,000 Equity Shares), Sandoz Polymers Private Limited (990,000 Equity Shares), Sanstar Biopolymers Limited (990,000 Equity Shares), Rekhi Kumar Rajeshwar (1,100 Equity Shares), Verma Kumar Chander (3,000 Equity Shares), Bassi Singh Jagtar (400 Equity Shares), Verma Kumar Ashok (3,000 Equity Shares), Rekhi Usha (1,000 Equity Shares), Chandha O.P (80 Equity Shares),

Nandi Kumar H (80 Equity Shares), Jain Kumar Arun (80 Equity Shares), Seghal Vijay (20 Equity Shares), Kaur P Santosh (6,000 Equity Shares), Kaur Naginder (6,000 Equity Shares), Bassi Singh Dalbir (6,010 Equity Shares), Sharma Krishna (20 Equity Shares), Verma Mohinder (100 Equity Shares), Verma Urmila (10,210 Equity Shares).

⁽⁷⁾*Allotment of total 5,000,000 Equity Shares to Gouthamchand Sohanlal Chowdhary (920,000 Equity Shares), Sambhav Gautam Chowdhary (70,000 Equity Shares), Rani Gouthamchand Chowdhary (530,000 Equity Shares), Sanstar Gems and Jewels Private Limited (2,500,000 Equity Shares) and Gouthamchand Sohanlal Chowdhary HUF (980,000 Equity Shares).*

⁽⁸⁾*Allotment of 4,500,000 Equity Shares to Tejaswani Goods Private Limited.*

⁽⁹⁾*Pursuant to scheme of amalgamation of our Company and Sanstar Biopolymers Limited ('Transferor Company') ('Scheme') approved by the NCLT, Ahmedabad vide order dated November 23, 2023, allotment of total 3,068,850 Equity Shares to Gouthamchand Sohanlal Chowdhary (52,200 Equity Shares), Rani Gautamchand Chowdhary (752,000 Equity Shares), Sambhav Gautamchand Chowdhary (250,000 Equity Shares), Shreyans Gautamchand Chowdhary (250,000 Equity Shares), Richa Sambhav Chowdhary (619,000 Equity Shares), Gautamchand S. Chowdhary HUF (220,350 Equity Shares), Sambhav Starch Products Private Limited (129,250 Equity Shares), Sanstar Gems & Jewels Private Limited (150,000 Equity Shares), Samiksha Shreyans Chowdhary (619,000 Equity Shares), Alka Gupta (50 Equity Shares), Alka Shah (50 Equity Shares), Amarsingh Shivnarayan (50 Equity Shares), Anita Agarwal (50 Equity Shares), Arvind Shah (50 Equity Shares), Ashok N Patel (600 Equity Shares), Asmita Shah (50 Equity Shares), Bharti Parikh (50 Equity Shares), Bharti Shah (50 Equity Shares), Bhartiben Kiritbhai Patel (600 Equity Shares), Bhavin Shah (250 Equity Shares), Bhavna Kataria (200 Equity Shares), Bhavna Shah (50 Equity Shares), Bhawridevi Agrawal (50 Equity Shares), Bhupendra Patel (50 Equity Shares), Chanchal Bhansali (50 Equity Shares), Chandrakant Pathak (300 Equity Shares), D R Agarwal (50 Equity Shares), Daljitkaur Saluj (50 Equity Shares), Devyani Dave (50 Equity Shares), Dharti Parikh (50 Equity Shares), Dr.T C Thomas (50 Equity Shares), Gayatri Sanjeev Jaiswal (250 Equity Shares), Geeta Parikh (50 Equity Shares), Gurdeepkor Saluja (50 Equity Shares), Hansa Patel (50 Equity Shares), Hansaben Patel (50 Equity Shares), Hardevendrasingh Saluja (50 Equity Shares), Ilyashkan Pathan (50 Equity Shares), Jay Bimalbhai Panchal (50 Equity Shares), Jay Shah (1,500 Equity Shares), Jayesh Patel (50 Equity Shares), Jigar Patel (50 Equity Shares), Julie Shah (1,500 Equity Shares), Jyoti Shah (50 Equity Shares), Kailash Satynarayan Kabra (200 Equity Shares), Kamini Dalal (300 Equity Shares), Kamla Agarwal (50 Equity Shares), Kamlesh Parekh (300 Equity Shares), Kamlesh Parikh (300 Equity Shares), Kanaialal Patel (300 Equity Shares), Kanti Shah (50 Equity Shares), Kantilal Chopra (300 Equity Shares), Kapila Patel (300 Equity Shares), Kapilaben Patel (50 Equity Shares) Kartarsingh Saluja (50 Equity Shares), Kiritbhai B Patel (300 Equity Shares), Lalbhai Shah (50 Equity Shares), Lalit Kankaria (50 Equity Shares), Lata Gupta (50 Equity Shares), Leena Shah (50 Equity Shares), M K Panwar (50 Equity Shares), M N Sadaria (50 Equity Shares), Mahaveerchand Chopra (300 Equity Shares), Mahendra Bhatt (50 Equity Shares), Mahendra Chopda (50 Equity Shares), Mahendra Shah (1,800 Equity Shares), Mamta Bhansali (50 Equity Shares), Mandakini Shah (250 Equity Shares), Manekchand Chopra (2,400 Equity Shares), Manish Agrawal (50 Equity Shares), Manisha Shah (50 Equity Shares), Manjudevi Chopra (300 Equity Shares), Mohini Devi Chopra (2,400 Equity Shares), Monali Shah (550 Equity Shares), Motilal Chopra (300 Equity Shares), Mrugesh Khambholja (50 Equity Shares), Narendra Shah (50 Equity Shares), Naresh Shah (50 Equity Shares), Nitin Shah (550 Equity Shares), Pallavi Shah (50 Equity Shares), Pankaj Patel (50 Equity Shares), Pramod Agarwal (50 Equity Shares), Priyanker Shah (50 Equity Shares), Rajal Patel (50 Equity Shares), Rajanben Shah (50 Equity Shares), Rajen Chandrakant Pathak (700 Equity Shares), Rajendra Agarwal (50 Equity Shares), Rajendra Chhajed (50 Equity Shares), Rajendra Dave (50 Equity Shares), Rajesh Shah (50 Equity Shares), Rajnidevi Chopra (300 Equity Shares), Rakesh Patel (50 Equity Shares), Rameshbhai Patel (50 Equity Shares), Rashmi Gupta (50 Equity Shares), Ravindra Gupta (50 Equity Shares), Renudevi Agrawal (50 Equity Shares), Resmidevi Chopra (300 Equity Shares), Rina Joshi (300 Equity Shares), Rohit Doshi (400 Equity Shares), Rohit Gupta (50 Equity Shares), Rohit Patel (50 Equity Shares), Saber Khan Pathan (50 Equity Shares), Samata Bhansali (50 Equity Shares), Samir Bhatt (50 Equity Shares), Samyak Kantilal Shah (50 Equity Shares), Sangita Kankaria (50 Equity Shares), Sanjay Agarwal (50 Equity Shares), Sanjeev Jaiswal (50 Equity Shares), Santokchand Chopra (1,200 Equity Shares), Santosh Shah (1,800 Equity Shares), Sarojben N. Shah (50 Equity Shares), Satish Shukla (50 Equity Shares), Seema Chopra (300 Equity Shares), Seema Agarwal (50 Equity Shares), Shailesh Parikh (50 Equity Shares), Shanker Agarwal (50 Equity Shares), Sujansingh Saluja (50 Equity Shares), Suketa Sadaria (50 Equity Shares), Sumitra Shah (50 Equity Shares), Sunil Desai (300 Equity Shares), Surinder Saluja (50 Equity Shares), Sushil Sarogvi (50 Equity Shares), Suvas Bhatt*

(50 Equity Shares), T Ramachandran (50 Equity Shares), Unmeshbhai Kantilal Shah (50 Equity Shares), Usha Agarwal (50 Equity Shares), Usha Barot (50 Equity Shares), Vijay Bhagvandas Shah (250 Equity Shares), Vijay Kumar Gupta (50 Equity Shares), Vijay Shah (50 Equity Shares), Vinod Agarwal (50 Equity Shares), Vinod Barot (50 Equity Shares), Vinod Mistry (50 Equity Shares), Vipul Patel (50 Equity Shares), Viraj Kiritbhai Patel (300 Equity Shares) and Virbala Shah (50 Equity Shares). In terms of clause 14 of the Scheme and pursuant to the order dated November 23, 2023 passed by NCLT Ahmedabad approving the Scheme, 4,480,000 equity shares of face value ₹10/- each held by Transferor Company in our Company were cancelled without any further, act, instrument or deed.

[§]Pursuant to the order dated November 23, 2023, 126,150 Equity Shares of total paid up share capital of the Company to be allotted to various shareholders, have been held (on behalf of the respective shareholders) in the designated escrow account (as nominated by the Board of Directors pursuant to the scheme of amalgamation) as these shareholders were holding shares of Sanstar Biopolymers Limited in physical form.

2. History of preference share capital of our Company

Our Company does not have any preference shares as on the date of filing of this Red Herring Prospectus.

3. Issue of Equity Shares for consideration other than cash or out of revaluation reserves

Except as stated below, our Company has not done any issue of Equity Shares for consideration other than cash or out of revaluation reserves and through bonus issue.

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature/ Reason of Allotment	Nature of Consideration
March 16, 2012	10,000,000	10	-	Bonus Issue*	Capitalization of funds standing to the credit of Reserves & Surplus; Assets were revalued on February 27, 2012.
November 25, 2023	3,068,850	10	-	Allotment of Equity Shares to shareholders of Transferor Company, pursuant to the scheme of amalgamation approved by NCLT, Ahmedabad vide order dated November 23, 2023.	In lieu of the shares held in the Transferor Company
				For allotment details refer to point (6) under 'Notes to Capital Structure' on page 95.	
				For allotment details refer to point (9) under 'Notes to Capital Structure' on page 93.	

*The reserves & surplus of our Company prior and subsequent to the above issuance of bonus shares was ₹ 367.17 million and ₹ 267.17 million respectively.

4. Issue of Equity Shares pursuant to any scheme of arrangement approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Pursuant to the scheme of amalgamation entered into between our Company and Sanstar Biopolymers Limited ('Transferor Company') approved by the NCLT, Ahmedabad vide order dated November 23, 2023, our Company on November 25, 2023 allotted 3,068,850 Equity Shares to the shareholders of Transferor Company for every 01 (one) equity share held by them in the Transferor Company. Other than such allotment, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies

Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable. For further details please refer to “*Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years*” on page 264 of chapter titled ‘*History and Certain Corporate Matters*’.

The salient features of the Scheme are set for the below (terms used are defined in the Scheme):

a) The Transferor Company’s Undertaking in its entirety, was transferred to and vested in our Company as a going concern and it is declared that the Transferor Company shall be dissolved without winding up.

b) All assets, properties, rights, licenses, sanctions, consents, authorization, approvals and permissions (statutory or otherwise), liabilities, debts receivables, etc. of the Transferor Company stood transferred to our Company from the Appointed Date.

c) All the liabilities and duties of the Transferor Company and all proceedings, if any, now pending against the transferor company be transferred and to be continued by the Transferee Company.

d) The amount of any intercompany balances or investments, if any, between the Transferor Company and the Transferee Company, appearing in the books of accounts of the Companies, shall stand cancelled without any further act or deed and there shall be no further obligation outstanding in that behalf.

e) All workers/employees of all the Transferor Company shall be deemed to become the workers/employees of the Transferee Company with effect from the Appointed Date, and shall stand absorbed in the Transferee Company in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the Transferor Company, as on the Effective Date.

f) In consideration of the transfer, the Transferee Company shall, issue and allot 1 (One) Equity Share of ₹ 10/- (Rupees Ten only), credited as fully paid up in the capital of the Transferee Company, to the members of the Transferor Company, whose names appear in the register of members of the Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferee Company for every 1 (One) Equity Share of the face value of ₹10/- (Rupees Ten only) each fully paid-up or credited as paid-up and held by the said the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company

g) The difference (excess or deficit), between the total consideration issued by the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme and the amount of share capital of the Transferor Company and after giving effect of this Scheme shall be adjusted in the reserves of the Transferee Company as per Accounting Standard 14 in the books of account of the Transferee Company.

h) Upon the scheme coming into effect, the existing shareholders of the Transferor Company in the Transferee Company shall stand cancelled without any further act, instrument or deed.

i) Upon the Scheme becoming effective, the authorized capital of the Transferor Company was added to and clubbed with the authorized capital of our Company without payment of any fees and without any further act or deed, and the resultant authorized capital of our Company, pursuant to the Scheme is ₹350,000,000 (Rupees Three Hundred Fifty million only) divided into 35,000,000 (Thirty Five million only) equity shares of ₹10/- (Ten) each.

5. Issue or transfer of Equity Shares under employee stock option schemes

Our Company does not have any employee stock option schemes as on the date of this Red Herring Prospectus.

6. Issue of shares at a price lower than the Offer Price in the last year.

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Red Herring Prospectus which may be lower than the Offer Price.

7. Shareholding pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this RHP:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (+VI)	Shareholding as a % of total no. of Equity Shares (Calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	11	140,145,100	-	-	140,145,100	99.78	140,145,100	140,145,100	99.77	-	99.77	-	-	-	-	140,145,100
(B)	Public	136	299,150	-	-	299,150	0.22	299,150	299,150	0.23	-	0.23	-	-	-	-	114,250
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	147	140,444,250	-	-	140,444,250	100.00	140,444,250	140,444,250	100.00	-	100.0	-	-	-	-	140,259,350

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

A. Other details of shareholding of our Company:

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company as on the date of filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹2 each*	% of Pre-Offer Equity Share Capital
(A) Promoters			
1.	Sambhav Gautam Chowdhary	32,600,000	23.21
2.	Shreyans Gautam Chowdhary	32,465,000	23.12
3.	Gouthamchand Sohanlal Chowdhary	15,301,100	10.89
(B) Promoter Group			
4.	Richa Sambhav Chowdhary	10,865,000	7.74
5.	Rani Gouthamchand Chowdhary	10,910,000	7.77
6.	Samiksha Shreyans Chowdhary	11,000,000	7.83
7.	Sanstar Gems & Jewels Private Limited	10,650,000	7.58
8.	Sambhav Starch Products Private Limited	10,546,250	7.51
9.	Gautamchand S Chowdhary HUF	5,786,750	4.12
Total		140,124,100	99.77

*Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each.

- b) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of this Red Herring Prospectus are entitled to any Equity Shares upon exercise of any warrant, option or right to convert a debenture, loan or other instrument.
- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹10/- each*	No. of Equity Shares of face value ₹02/- each considering sub-division of face value of equity shares of our Company from ₹10/- each to ₹2/- each.	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 29,500,000 equity shares of face value ₹10/- each as on two years prior to filing of this RHP	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 140,444,250 equity shares of face value ₹2/- each as on date of filing this RHP [^]	
(A) Promoters						
1.	Sambhav Chowdhary	Gautam	4,970,000	24,850,000	16.85	17.70
2.	Shreyans Chowdhary	Gautam	4,943,000	24,715,000	16.76	17.60
3.	Gouthamchand Chowdhary	Sohanlal	2,008,020	10,040,100	6.81	7.15
(B) Promoter Group						
4.	Richa Sambhav Chowdhary		2,854,000	14,270,000	9.67	10.17
5.	Rani Gouthamchand Chowdhary		2,430,000	12,150,000	8.24	8.66
6.	Samiksha S Chowdhary		2,881,000	14,405,000	9.77	10.26
7.	Sambhav Starch Products Private Limited		1,980,000	9,900,000	6.71	7.05

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹10/- each*	No. of Equity Shares of face value ₹02/- each considering sub-division of face value of equity shares of our Company from ₹10/- each to ₹2/- each.	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 29,500,000 equity shares of face value ₹10/- each as on two years prior to filing of this RHP	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 140,444,250 equity shares of face value ₹2/- each as on date of filing this RHP [^]
8.	Shri Gautam S Chowdhary (HUF)	937,000	4,685,000	3.18	3.34
9.	Sanstar Gems & Jewels Private Limited	1,980,000	9,900,000	6.71	7.05
(C) Others					
10.	Sanstar Biopolymers Limited	4,480,000	-*	15.19	-*
Total		29,463,020	124,915,100	99.87	88.98

*Pursuant to order dated November 23, 2023 passed by NCLT Ahmedabad approving the scheme of amalgamation entered into between our Company and Sanstar Biopolymers Limited ('**Transferor Company**') and in terms of clause 14 of the Scheme, 4,480,000 equity shares of face value ₹10/- each aggregating to 15.18% of the issued, subscribed and paid-up equity shares capital of our Company held by the Transferor Company were cancelled without any further act, instrument or deed.

[^]Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each.

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year prior to filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹10/- each	No. of Equity Shares of face value ₹02/- each considering sub-division of face value of equity shares of our Company from ₹10/- each to ₹2/- each.	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 29,500,000 equity shares of face value ₹10/- each as on one year prior to filing of this RHP	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 140,444,250 equity shares of face value ₹2/- each as on date of filing this RHP [^]
(A) Promoters					
1.	Gouthamchand Sohanlal Chowdhary	2,008,020	10,040,100	6.81	7.15
2.	Sambhav Gautam Chowdhary	4,970,000	24,850,000	16.85	17.70
3.	Shreyans Gautam Chowdhary	4,943,000	24,715,000	16.76	17.60
(B) Promoter Group					
4.	Richa Sambhav Chowdhary	2,854,000	14,270,000	9.67	10.17
5.	Rani Gouthamchand Chowdhary	2,430,000	12,150,000	8.24	8.66
6.	Samiksha S Chowdhary	2,881,000	14,405,000	9.77	10.26
7.	Sambhav Starch Products Private Limited	1,980,000	9,900,000	6.71	7.05
8.	Sanstar Gems & Jewels Private Limited	1,980,000	9,900,000	6.71	7.05

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹10/- each	No. of Equity Shares of face value ₹02/- each considering sub-division of face value of equity shares of our Company from ₹10/- each to ₹2/- each.	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 29,500,000 equity shares of face value ₹10/- each as on one year prior to filing of this RHP	% of Pre-Offer equity share capital considering the issued, subscribed and paid-up equity share capital as 140,444,250 equity shares of face value ₹2/- each as on date of filing this RHP [^]
9.	Shri Gautam S Chowdhary (HUF)	937,000	4,685,000	3.18	3.34
(C) Others					
10.	Sanstar Biopolymers Limited	4,480,000	-	15.19	-
Total		29,463,020	124,915,100	99.87	88.98

*Pursuant to order dated November 23, 2023 passed by NCLT, Ahmedabad approving the scheme of amalgamation entered into between our Company and Sanstar Biopolymers Limited ('Transferor Company') and in terms of clause 14 of the scheme of amalgamation, 4,480,000 equity shares of face value ₹10/- each aggregating to 15.18% of the issued, subscribed and paid-up equity shares capital of our Company held by the Transferor Company were cancelled without any further act, instrument or deed.

[^]Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each. For further details, see "Capital Structure –Equity Share capital history of our Company" on page 94.

- e) Particulars of shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of the Shareholders	No. of Equity Shares of face value ₹2 each*	% of Pre-Offer Equity Share Capital
(A) Promoters			
1.	Sambhav Gautam Chowdhary	32,600,000	23.21
2.	Shreyans Gautam Chowdhary	32,465,000	23.12
3.	Gouthamchand Sohanlal Chowdhary	15,301,100	10.89
(B) Promoter Group			
4.	Richa Sambhav Chowdhary	10,865,000	7.74
5.	Rani Gouthamchand Chowdhary	10,910,000	7.77
6.	Samiksha Shreyans Chowdhary	11,000,000	7.83
7.	Sanstar Gems & Jewels Private Limited	10,650,000	7.58
8.	Sambhav Starch Products Private Limited	10,546,250	7.51
9.	Gautamchand S Chowdhary HUF	5,786,750	4.12
Total		140,124,100	99.77

* Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each. For further details, see "Capital Structure –Equity Share capital history of our Company" on page 94.

- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding two years from the date of this Red Herring Prospectus.
8. Our Company does not have any intention or proposal to alter its capital structure within a period of six months from the date of opening of the Offer by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity

Shares) whether preferential or otherwise after the date of the opening of the Offer to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9. Details of build-up of the shareholding of our Promoters

As on date of this Red Herring Prospectus, the Promoters of our Company, hold 80,366,100 Equity Shares of face value ₹2/- each, equivalent to 57.22% of the issued, subscribed and paid-up Equity Share capital of our Company none of the Equity Shares held by the Promoter are subject to any pledge.

Set forth below are the details of the build - up of our Promoters' equity shareholding in our Company since incorporation:

Gouthamchand Sohanlal Chowdhary

Date of allotment/ transfer	Nature of transaction	Number of equity shares	Face value per equity share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Nature of consideration	% of pre Offer capital	% of post Offer capital
February 21, 2012	Acquisition from Continental Construction Limited pursuant to agreement to sell and transfer dated February 22, 2012.*	2,000,000	10	3.80	Cash	1.42	[●]
March 12, 2012	Transfer from Vijay Verma	2,900	10	3.80	Cash	Negligible	[●]
March 16, 2012	Bonus Issue in the ratio of 1 Equity Share for every 1 Equity Share held by shareholders.	2,002,900	10	-	-	1.43	[●]
March 20, 2012	Transfer from certain person(s)#	17,100	10	10	Cash	0.01	[●]
March 30, 2012	Further Issue	920,000	10	10	Cash	0.66	[●]
October 6, 2012	Transfer to Tejaswani Goods Private Limited^	(2,002,900)	10	10	Cash	1.43	[●]
July 20, 2013	Transfer from Mohinder Verma%	100	10	3.8	Cash	Negligible	[●]
October 16, 2013	Transfer from Tejaswani Goods Private Limited^	2,002,900	10	10	Cash	1.43	[●]
March 23, 2015	Transfer from Sambhav Starch Products Private Limited	9,00,000	10	1	Cash	0.66	[●]
May 06, 2015	Transfer from Krishna Sharma	20	10	3.8	Cash	Negligible	[●]
April 1, 2016	Transfer to Samiksha Shreyans Chowdhary	(2,881,000)	10	-	Gift	2.05	[●]

	Transfer to Richa Sambhav Chowdhary	(954,000)	10	-	Gift	0.68	[●]
November 25, 2023	Allotment of Equity Shares pursuant to the Scheme of Amalgamation approved by the NCLT, Ahmedabad vide its order dated November 23, 2023.	52,200	10	NA	Consideration other than cash	Negligible	[●]
November 29, 2023	Transfer from Rani Gouthamchand Chowdhary	1,000,000	10	-	Gift	0.71	[●]
Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each.							
	Total	15,301,100		-	-	10.89	[●]

#Our Company does not have records of the share transfer form for the transfer of 17,100 Equity Shares to Gouthamchand Sohanlal Chowdhary. Please refer to 'Risk Factor No. 15 - We are unable to trace our historical secretarial records prior to calendar year 2006. In the event we are found not to be in compliance with any applicable laws in relation to the missing secretarial records, we may be subject to regulatory actions or penalties for any such possible non-compliance and our business, financial condition and reputation may be adversely affected" on page 45.

*Continental Construction Limited ("CCL") was the erstwhile shareholder of the Company (earlier known as Continental Papers Limited) and on February 21, 2012, CCL ceased to be a shareholder as CCL's entire shareholding was transferred to the Promoters. Therefore, subsequent to the transfer of shares on February 21, 2012 CCL had no role in the Company.

^ 2,002,900 equity shares were transferred from Gouthamchand Sohanlal Chowdhary to Tejaswani Goods Private Limited ("TGPL") on October 6, 2012. At the time of Gouthamchand Sohanlal Chowdhary's acquisition of the aforementioned equity shares in the year 2012, the Company was facing liquidity issues which were impeding its ability to carry on its business operations efficiently and in order to address the liquidity issue, and given the absence of ability of the Company to raise bank loans, Gouthamchand Sohanlal Chowdhary sold 2,002,900 shares held by him in the Company to TGPL and introduced the sale proceeds into the Company as unsecured loans. That upon the Company overcoming its liquidity issues, the Company did repay the unsecured loan in December 2013. Pursuant to which Gouthamchand Sohanlal Chowdhary purchased the shares from TGPL. Except as mentioned above, TGPL is not related to the Company or the Promoters.

%Transfer of 100 equity shares from Mohinder Sharma to Gouthamchand Sohanlal Chowdhary on July 20, 2013 was an ordinary commercial transaction and except for the said transfer, Mohinder Sharma is not related to the Company or the Promoters.

Sambhav Gautam Chowdhary

Date of allotment/transfer	Nature of transaction	Number of equity shares	Face value per Equity Share (in ₹)	Issue/transfer price per Equity Share (in ₹)	Nature of consideration	% of pre Offer capital	% of post Offer capital
February 21, 2012	Acquisition from Continental Construction Limited*	2,000,000	10	3.80	Cash	1.42	[●]
March 16, 2012	Bonus Issue in the ratio of 1 Equity Share for every 1 Equity Share	2,000,000	10	-	-	1.42	[●]

	held by							
	shareholders							
March 30, 2012	Further Issue	70,000	10	10	Cash	Negligible	[●]	
March 23, 2015	Transfer from Sambhav Starch Products Private Limited	900,000	10	1.00	Cash	0.64	[●]	
November 25, 2023	Allotment of Equity Shares pursuant to the Scheme of Amalgamation approved by the NCLT, Ahmedabad vide its order dated November 23, 2023.	250,000	10	-	-	0.18	[●]	
November 28, 2023	Transfer from Richa Sambhav Chowdhary	1,300,000	10	-	Gift	0.93	[●]	
Total		32,600,000		-	-	23.21	[●]	

Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each.

*Continental Construction Limited ("CCL") was the erstwhile shareholder of the Company (earlier known as Continental Papers Limited) and on February 21, 2012, CCL ceased to be a shareholder as CCL's entire shareholding was transferred to the Promoters. Therefore, subsequent to the transfer of shares on February 21, 2012 CCL had no role in the Company.

Shreyans Gautam Chowdhary

Date of allotment/transfer	Nature of transaction	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue/transfer price per Equity Share (in ₹)	Nature of consideration	% of pre Offer capital	% of post Offer capital
February 21, 2012	Acquisition from Continental Construction Limited pursuant to agreement to sell and transfer dated February 22, 2012*	2,000,000	10	3.80	Cash	1.42	[●]
March 16, 2012	Bonus Issue in the ratio of 1 Equity Share for	2,000,000	10	-	-	1.42	[●]

		every 1 Equity Share held by shareholders						
October 2013	16,	Transfer from Gautam S. Chowdhary (HUF)	43,000	10	-	Gift	Negligible	[●]
March 23, 2015		Transfer from Sambhav Starch Products Private Limited	900,000	10	1	Cash	0.64	[●]
November 2023	25,	Allotment of Equity Shares pursuant to the Scheme of Amalgamation sanctioned by the NCLT, Ahmedabad vide its order dated November 23, 2023.	250,000	10	-	-	0.18	[●]
November 2023	29,	Transfer from Samiksha Shreyans Chowdhary	1,300,000	10	-	Gift	0.93	[●]
Pursuant to a resolution passed by our Board in its meeting held on November 25, 2023 and approved by the Shareholders by way of a special resolution in their EGM dated November 28, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 05 Equity Shares of face value ₹2/- each. Therefore 28,088,850 Equity Shares of our Company having face value of ₹10/- each were subdivided into 140,444,250 Equity Shares of face value ₹2/- each.								
Total			32,465,000	-	-		23.11	[●]

*Continental Construction Limited ("CCL") was the erstwhile shareholder of the Company (earlier known as Continental Papers Limited) and on February 21, 2012, CCL ceased to be a shareholder as CCL's entire shareholding was transferred to the Promoters. Therefore, subsequent to the transfer of shares on February 21, 2012 CCL had no role in the Company.

- All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.
- As on the date of this Red Herring Prospectus, the Company has 147 members/shareholders.
- The details of the Shareholding of the Promoters and members of our Promoter Group as on date of this Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Offer		Post-Offer*	
		Number of Equity Shares of face value ₹2/- each	% of total shareholding	Number of Equity Shares	% of total shareholding
(A) Promoters					
1.	Gouthamchand Chowdhary	Sohanlal	15,301,100	10.89	[●] [●]
2.	Sambhav Chowdhary	Gautam	32,600,000	23.21	[●] [●]

Sr. No.	Name of the Shareholders	Pre-Offer		Post- Offer*	
		Number of Equity Shares of face value ₹2/- each	% of total shareholding	Number of Equity Shares	% of total shareholding
3.	Shreyans Gautam Chowdhary	32,465,000	23.11	[●]	[●]
Sub Total (A)		80,366,100	57.22	[●]	[●]
(B) Promoter Group					
4.	Rani Gouthamchand Chowdhary	10,910,000	7.77	[●]	[●]
5.	Richa Sambhav Chowdhary	10,865,000	7.74	[●]	[●]
6.	Samiksha Shreyans Chowdhary	11,000,000	7.83	[●]	[●]
7.	Sanstar Gems & Jewels Private Limited	10,650,000	7.58	[●]	[●]
8.	Sambhav Starch Products Private Limited	10,546,250	7.51	[●]	[●]
9.	Gauthamchand S. Chowdhary- HUF	5,786,750	4.12	[●]	[●]
10.	Mohini Devi Chopra	12,000	Negligible	[●]	[●]
11.	Santosh Shah	9,000	Negligible	[●]	[●]
Sub Total (B)		59,779,000	42.56	[●]	[●]
Total Promoters & Promoter Group (A+B)		140,145,100	99.77	[●]	[●]

* Subject to finalization of Basis of Allotment.

13. The Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Red Herring Prospectus is filed with SEBI.
14. There are no financing arrangements wherein the Promoter, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of this Red Herring Prospectus.

15. Details of Promoter's contribution locked

Pursuant to the proviso and explanation to Regulation 16(1)(a) and Regulation 16(1)(b) read with Regulation 14 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment ('**Minimum Promoter Contribution**'), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Offer paid-up capital	Period of lock-in
Gouthamchand Sohanlal Chowdhary							

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post- Offer paid-up capital	Period of lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<i>Sambhav Gautam Chowdhary</i>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<i>Shreyans Gautam Chowdhary</i>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
SUB-TOTAL	[●]	[●]	[●]	[●]	[●]	[●]	[●]

**Subject to finalisation of Basis of Allotment.*

(1) For a period of three years from the date of allotment.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoter, please refer to “*Details of the Build-up of our Promoters’ shareholding*” on page 103.

The Promoters’ contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters’ Contribution under Regulation 15 of the SEBI ICDR Regulations. In this computation, as per Regulation 15 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

Equity Shares acquired during the preceding three years, if these are: (i) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction; or (ii) resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters’ contribution;

- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- Equity Shares issued to the Promoters upon conversion of a partnership firm
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters’ Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters are held in dematerialized form.

In terms of undertaking to be executed by our Promoters, Equity Shares forming part of Promoter’s Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Red Herring Prospectus till the date of commencement of lock in period as stated in this Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoter’s Contribution for a period of three years as stated in the table above, the entire pre-Offer capital of our Company, including the excess of minimum Promoter’ Contribution, as per proviso to Regulation 16(1)(b) and 17 of the SEBI ICDR Regulations, shall be locked in for a period of one (01) year from the date of Allotment of Equity Shares in the Offer. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of 'lock-in'

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 17 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations as applicable.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 16(1) of the SEBI ICDR Regulations, may be transferred to and amongst Promoters/ members of the Promoter Group or to a new promoter(s) or person(s) in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI Takeover Regulations, as applicable.

In terms of Regulation 21(a) of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

An oversubscription to the extent of 1% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may increase by a maximum of 1% of the Offer as a result of which, the post-offer paid up capital would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the Post Offer paid-up capital is locked in for three years.

Lock-in of Equity Shares Allotted to Anchor Investors

Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: there shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment.

Other confirmations

1. Our Company, our Promoters, our Directors and the BRLM have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
2. The post-Offer paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company;
3. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Red Herring Prospectus.
4. No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
5. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus. Further, as on date of this Red Herring Prospectus, our Company does not have any paid-up preference share capital.

6. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
7. Our Company shall ensure that in compliance with Regulation 54 of the SEBI ICDR Regulations, any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing this Red Herring Prospectus and the date of closure of the Offer, shall be reported to the Stock Exchanges within 24 hours of the transaction.
8. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
9. Neither our Company nor any of its Group Companies, Promoter Group entities, Subsidiaries or any other related entities have been involved in the act of money mobilisation in any manner. Further, no regulatory authority or agency has at any time sought any information in any manner.
10. As on the date of this Red Herring Prospectus, the BRLM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The BRLM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
11. Our Promoters and the members of our Promoter Group will not participate in the purchase of Equity Shares in Offer.
12. Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel.

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Offer Equity Share Capital
<i>Promoters</i>			
1.	Gouthamchand Sohanlal Chowdhary	15,301,100	10.89
2.	Sambhav Gautam Chowdhary	32,600,000	23.21
3.	Shreyans Gautam Chowdhary	32,465,000	23.11
Total		80,366,100	57.22

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

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue of up to 41,800,000 Equity Shares, aggregating up to ₹ [●] million to be issued by our Company and the Offer for Sale of up to 11,900,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders.

Offer for sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale after deducting their proportion of Offer related expenses and relevant taxes thereon. The proceeds of the Offer for Sale shall be received by the Selling Shareholders and will not form part of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale. For further details of the Offer for Sale, see “*The Offer*” beginning on page 77. The Equity Shares offered for sale by the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations. The table below sets forth the details of offer for sale by the Selling Shareholders.

Sr. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Aggregate proceeds from the Offered Shares (₹ in million)	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	Gouthamchand Sohanlal Chowdhary	Up to 500,000	[●]	15,301,100	10.89
2.	Rani Gouthamchand Chowdhary	Up to 3,800,000	[●]	10,910,000	7.77
3.	Sambhav Gautam Chowdhary	Up to 500,000	[●]	32,600,000	23.21
4.	Shreyans Gautam Chowdhary	Up to 500,000	[●]	32,465,000	23.12
5.	Richa Sambhav Chowdhary	Up to 3,300,000	[●]	10,865,000	7.74
6.	Samiksha Shreyans Chowdhary	Up to 3,300,000	[●]	11,000,000	7.83
Total		Up to 11,900,000	[●]	113,141,100	80.56

Objects of the Fresh Issue

The Net Proceeds of the Fresh Issue, i.e., Gross Proceeds of the Fresh Issue less the offer expenses apportioned to our Company are proposed to be utilised in the following manner:

1. Funding the capital expenditure requirement for expansion of our Dhule Facility;
2. Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company and;
3. General Corporate Purposes.

(Collectively, referred to as the ‘**Objects**’/‘**Objects of the Offer**’)

In addition, our Company expects to achieve the benefits of listing of the Equity Shares on the Stock Exchanges and enhance our Company’s brand name and image amongst our existing and potential customers.

The main object clause of our MoA enables us to undertake the existing activities and the activities for which the funds are being raised through the Offer. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our MoA.

Net Proceeds

After deducting the expenses related to the Offer from the Gross Proceeds, we estimate the Net Proceeds of the Fresh Issue to be ₹ [●] million. The details of the Net Proceeds of the Offer are summarized in the table below.

(₹ in million)

Particulars	Estimated Amount ⁽¹⁾
Gross Proceeds from the Offer ⁽¹⁾	Upto [●]
(Less) Offer related expenses in relation to the Fresh Issue to be borne by our Company ⁽²⁾	[●]
Net Proceeds	[●]

⁽¹⁾To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾The Offer related expenses shall vary depending upon the final offer size and the allotment of Equity Shares. For further details, please refer to heading titled 'Offer Related Expenses' on page 123 of this RHP.

Utilization of Net Proceeds

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

(₹ in million)

Sr. No.	Particulars	Estimated Amount
1.	Funding the capital expenditure requirement for expansion of our Dhule Facility	1,815.55
2.	Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company	1,000.00
3.	General corporate purposes ⁽¹⁾	[●]

⁽¹⁾To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. In compliance with Regulation 7(2) of the SEBI ICDR Regulations, the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

Proposed schedule of deployment of Net Proceeds and implementation

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

(₹ in million)

Sr. No.	Particulars	Total Estimated amount/ expenditure (A)	Amount to be funded from term loan from Banks and internal accruals (B)	Amount to be funded from Net proceeds (C=A-B)	Estimated Deployment of Net Proceeds	
					Fiscal 2024	Fiscal 2025
1.	Funding the capital expenditure requirement for expansion of our Dhule Facility	2,015.55 ⁽¹⁾	200.00*	1,815.55	-	1,815.55
2.	Repayment or pre-payment, in part or full, or certain borrowings availed by our Company	1,000.00	-	1,000.00	-	1,000.00
3.	General corporate purposes ⁽²⁾	[●]	-	[●]	-	[●]
	Total	[●]	[●]	[●]	-	[●]

* Out of ₹200 million, as on June 30, 2024, ₹ 199.96 million has already been deployed from term loan and internal accruals as certified by M/s Nahta Jain & Associates, independent chartered accountants of our Company pursuant to their certificate dated July 06, 2024.

⁽¹⁾Total estimated cost, as per the Company commissioned TEV Report dated December 30, 2023 issued by Dun & Bradstreet in respect of the proposed expansion of Dhule Facility.

⁽²⁾In compliance with Regulation 7(2) of the SEBI ICDR Regulations, the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the offer.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal i.e., in Fiscal 2025 not being undertaken in full or in part, the remaining Net Proceeds shall be utilised in subsequent Fiscal i.e., Fiscal 2026, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the Objects during the respective periods stated above due to factors including but not limited to (i) global or domestic economic or business conditions; (ii) timely completion of the Offer; (iv) market conditions beyond the control of our Company; (v) rapid change in technology and (vi) any other commercial considerations, the balance Net Proceeds shall be utilised (in part or full) in subsequent periods i.e, in Fiscal 2026 as may be determined by the Board of Directors of our Company, in accordance with applicable laws. In the event of any increase in the actual utilization of funds earmarked and allocated for the purposes set forth above, such additional funds for that particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. In the event any under-utilised funds earmarked for other objects, are deployed towards 'General Corporate Purposes', such deployment by the Company shall be in compliance with Regulation 7(2) of the ICDR Regulation and such deployment would be done subject to requisite corporate and statutory approvals under applicable laws. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilizing our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available with our Company to fund any such shortfalls.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency, please refer to "*Risk Factor No. 55 – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize the Net Proceeds of the Offer and the Objects have not been independently appraised by a bank or a financial institution. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations*" in the chapter titled 'Risk Factors' on page 64. The fund requirements are based on current circumstances of the business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, including but not limited to market conditions, competitive environment, costs of commodities and interest rate fluctuation. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the Board of Directors.

Means of finance

Our Company proposes to fund the capital expenditure requirement upto ₹ 1,815.55 million for the proposed expansion of the Dhule Facility out of the Net Proceeds. Our Company has also availed term loan facilities having sanctioned limits of ₹ 750.00 million and ₹ 750.00 million from Federal Bank Limited and Karur Vysya Bank Limited respectively for the proposed expansion. Out of the total sanctioned limit of ₹ 1,500.00 million as above, our Company has utilised ₹ 124.57 million towards the proposed capital expenditure requirements, as on June 30, 2024.

Hence, in compliance of the Regulation 7(1)(e) read with Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for the proposed expansion, excluding the amount to be raised through the Net Proceeds or through identifiable internal accruals.

Details of Objects of the Offer

1. Funding the capital expenditure requirement for expansion of our Dhule Facility

Our Company has two Manufacturing Facilities situated at Dhule in Maharashtra and Kutch in Gujarat. The manufacturing facilities have a combined installed capacity of 3,63,000 tons per annum (1,100 tons per day). As on March 31, 2024, our Dhule Facility has an installed capacity of 2,47,500 tons per annum (750 tons per day), as certified by the Chartered Engineer Kirtesh Kumar G Shah, (The Institution of Engineers India, Membership No.: AM096642-0) vide certificate dated April 19, 2024.

Installed capacity at our Manufacturing Facilities before and after proposed expansion

Installed capacity (in Tons per day) of the Company are as under:

Facility	Current	Proposed Expansion	Total Post Expansion
Dhule	750	1000	1750
Kutch	350	-	350
Total	1100	1000	2100

Installed capacity (in Tons per annum) of the Company are as under:

Facility	Current	Proposed Expansion	Total Post Expansion
Dhule	247,500	330,000	577,500
Kutch	115,500	-	115,500
Total	363,000	330,000	693,000

(Based on 3 shifts of 8 hours each per day for 330 days a year)

Post expansion, the installed capacity of Dhule facility would be 1,750 TPD (577,500 tons per annum) and the aggregate installed capacity of Company would be 2,100 TPD (693,000 tons per annum).

To cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we intend to expand our manufacturing capacities for existing products including native starches, modified starches, liquid glucose and dextrose monohydrate along with addition of capacity for new products like dextrose anhydrous. To achieve this, we intend to expand our manufacturing capabilities at our Dhule Facility by installing additional machineries and equipments to further increase our installed capacities by 1,000 Tons Per Day (TPD). The total area of the land at our Dhule Facility is 7.90 million square feet (approximate 181 acres) of which 5.45 million square feet (approximate 125 acres) is covered by our existing facility and the land over which the Dhule Facility is situated is owned by the Company. The Board of Directors of our Company pursuant to their resolution dated August 5, 2022 have approved the expansion of the Dhule Facility for the aforesaid benefits. For further details of the aforesaid expansion, see "Our Business – Our strategies" on page 245.

Out of the Net Proceeds, our Company proposes to utilize upto ₹ 1,815.55 million to fund the capital expenditure requirements of the aforementioned expansion. Our Company has obtained quotations and cost estimates from certain suppliers for undertaking civil and building works, purchase and installation of plant and machinery and utilities, for the proposed expansion. However, our Company is yet to place any orders or enter into definitive agreements or any memorandum of understanding for purchase and installation of majority of the new plant and machinery and implementation of factory building and civil construction connected with such proposed expansion. Our Company has commissioned a TEV Report dated December 30, 2023 from Dun & Bradstreet, in relation to the technical, commercial and financial viability of the proposed expansion.

The capital requirements, the deployment of funds and the intended use of the Net Proceeds for the proposed expansion, are based on our current business plans, management estimates, current and valid quotations and cost estimates received from the suppliers and other commercial and technical factors. From the Net Proceeds, we intend to finance (i) factory building and civil construction costs; (ii) purchase and installation of new plant and machinery; (iii) utilities costs; (iv) contingencies and; (v) interest during construction period.

The detailed break-down of estimated cost of the proposed expansion, is set forth below:

(₹ in million)

Sr. No.	Particulars	Total Estimated Cost	Amount deployed till June 30, 2024 [^]	Balance amount proposed to be funded
1.	Factory building and civil construction	120.00	46.39	73.61
2.	Plant and machinery	967.89	153.57	814.32
3.	Utilities	782.10	0.00	782.10
4.	Contingencies	125.56	0.00	125.56
5.	Interest during construction period	20.00	0.00	20.00
	Total	2,015.55	199.96	1,815.59

[^]M/s Nahta Jain & Associates, independent chartered accountants vide their certificate dated July 06, 2024 have certified the deployment of funds as on June 30, 2024 towards the proposed expansion.

Means of Finance

Particulars	Estimated Amount (₹ in million)
Term Loan from Banks [^]	150.00
Internal Accruals	50.00
Net Proceeds of this Offer	1,815.55
Total	2,015.55

[^] Our Company has availed term loan facilities having sanctioned limits of ₹ 750.00 million and ₹ 750.00 million from Federal Bank Limited and Karur Vysya Bank Limited respectively for the proposed expansion.

Funds Already Deployed

As on June 30, 2024, our Company has deployed ₹ 199.96 million towards the proposed expansion the details of which are as under:

Particulars	Estimated Amount (₹ in million)
Term Loan from Banks	124.57
Internal Accruals	75.39
Total	199.96

M/s Nahta Jain & Associates, independent chartered accountants vide their Certificate dated July 06, 2024 have certified the deployment of funds as on June 30, 2024 towards the proposed expansion.

Details of Cost of the Proposed Expansion

Note- The proposed expansion is being planned on the existing land of our Dhule Facility owned by our Company. Therefore, the analysis given below does not factor in cost of land acquisition.

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A detailed break-up of the estimated cost of establishing the proposed project is set forth below:

Sr. No.	Particulars	Quantity / Area	Total Estimated Costs (₹ in million)	Quotation / Cost Estimate	Name of the Supplier / Contractor	Date of Quotation / Cost Estimates	Validity of Quotation
A.	Factory Building & Civil Construction						
a.	DMH Building / DAH and LG	3,000 sq. mtrs	30.00	Cost Estimate	Dolmen Engineering & Design Services	November 03, 2023	NA
b.	Corn Wet Mill Building	3,500 sq. mtrs	35.00				
c.	Dryer House Starch	2,500 sq. mtrs	25.00				
d.	Finished Goods Storage	3,000 sq. mtrs	30.00				
B.	Plant & Machinery						
a.	i. Corn Steeping Section ii. Corn Grinding and Germ Separation Section iii. Fine Grinding and Fibre Washing Section iv. Starch/Gluten Separation Section v. Starch Refining Section vi. Clarifying Section vii. Starch Dewatering and Drying Section viii. Germ Wash & Drying Section ix. Fibre section x. Gluten meal Section xi. Corn sand removing and feeding	Total No. of items across all sections – 443	636.72	Quotation	Wuxi Microbio Engineering Company Limited.*	November 01, 2023	November 02, 2024
b.	i. Equipment and piping & valve for starch Glucose and dextrose plant ii. Equipment and piping & valve for 150 TPD output Liquid Glucose, 150 TPD output DMH and 50 TPD output DAH plant iii. Engineering design and know-how transfer	Total No. of items across all sections – 465	312.47	Quotation	Beijing Meckey Engineering Company*	November 01, 2023	November 02, 2024
c.	Tank Fabrication	NA	18.70	NA	As per Management's Estimates (Forming part of Company)	NA	NA

Sr. No.	Particulars	Quantity / Area	Total Estimated Costs (₹ in million)	Quotation / Cost Estimate	Name of the Supplier / Contractor	Date of Quotation / Cost Estimates	Validity of Quotation
					commissioned TEV Report dated December 30, 2023 issued by Dun & Bradstreet)		
C.	Utilities						
i.	4.50 MW Coal based Cogeneration Power Plant, Boiler with boiler feed pump, chimney	NA	376.00	Quotation	ARK Engineering and Power Consultants Private Limited	November 03, 2023	November 03, 2024
ii.	Firefighting System including diesel pump	NA	10.00				
iii	Electricals including transformer starter, MCC, HT/LT panel, Circuit breaker, lightings, OCB cable	NA	80.00				
iv	Pipe, Piping fitting and valves	NA	75.00				
v	Erection	NA	30.00	Quotation	ARK Engineering and Power Consultants Private Limited	November 05, 2023	November 03, 2024
vi	Insulation	NA	20.00				
vii	Instrumentation	NA	80.00				
viii	Foundation	NA	25.00				
ix	Other Miscellaneous Items	NA	3.60				
x	Effluent Treatment Plant (ETP) Recycling plant with Double Stage Biological (Anaerobic + Aerobic), Latest Fully Automatic MBR Technology based Biological Treatment, Cap-city – 1500 KLD	NA	82.50	Quotation	Hyper Filtration Private Limited	November 02, 2023	November 05, 2024
D.	Contingencies						
	Contingency estimation is equivalent to 6.71% of the total cost indicated in the quotations obtained by our Company	NA	125.56	NA		NA	NA
E	Interest during Construction period	NA	20.00	NA		NA	NA
	Total		2,015.55				

**These quotations are denominated in USD which have been converted into INR millions using conversion rate of ₹ 82.86 i.e. Average Exchange Rate from June 15, 2023 to March 31, 2024, as provided by the Reserve Bank of India (RBI). Any increase in the estimated costs due to fluctuation in the USD-INR conversion will be paid for by our Company out of internal accruals.*

All quotations received by the Company are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the above suppliers / contractors who have provided quotations and there can be no assurance that the abovementioned suppliers / contractors would be engaged to eventually supply the plant and machinery / carry out the construction job. The type, quantity and make of the machinery to be purchased is based on the estimates of our Board. Our Company confirms that, no pre-used/pre-owned plant and machinery is proposed to be purchased by our Company for the proposed expansion.

Further, our Promoters, Directors and Key Managerial Personnel do not have any interest in the construction of factory building and civil construction, purchase of plant and machinery, purchase of utilities, or in the entities from whom we have obtained quotations / cost estimates in relation to the proposed expansion.

The salient features of Company Commissioned TEV Report

The Company has availed TEV Report dated December 30, 2023 from Dun & Bradstreet Information Services (India) Private Limited to conduct the techno economic viability study of the proposed expansion at the Dhule Facility in Maharashtra. The Company Commissioned TEV Report contains the following aspects:

Technical aspects:

- a. The proposed expansion is adjacent to current facility at Dhule, Maharashtra. The Company owns the land where the expansion is proposed.
- b. The plant & machinery and utilities will be sourced from both imports and domestic vendors. The Company has quotations from suppliers.
- c. Proposed capacity is 1000 TPD.
- d. Additional power requirement is about 7500 KW, to be sourced primarily from new captive power plant and balance from state electricity grid.
- e. A boiler of 45 tonnes per hour capacity will be installed for producing steam using imported coal as fuel.
- f. The water requirement will be met through new supply from nearby dam and co-generated recycled water.
- g. Manpower requirement will be of 367 people which includes staff at various levels.
- h. The manufacturing process comprises of corn wet milling process encompassing the process of germ separation, fibre washing, thickening, primary separation, gluten thickening, rotary vacuum filter, hydroclone system and drying.
- i. The commercial operation is expected commence in July 2025.

Economic aspects:

- a. A sensitivity analysis for changes in select pricing, operating and financial factors has been done to assess its impact on project IRR and DSCR.
- b. A market assessment covering the macro-economic scenario, maize production, demand scenario and the growth forecast has been done.

Financial aspects :

- a. The total estimated project cost is Rs 2015.55 mn which is proposed to be funded by a composition of IPO proceeds, bank debt and internal accruals.
- b. The financial assessment includes projected P & L Analysis, project & return ratios like Debt Service Coverage Ratio, Internal Rate of Return, Margin of Safety, Breakeven Point, IRR, etc.
- c. The critical success factors are implementation schedule, timely delivery of plant and machinery, approvals, deploying standard operating practices & good management practices and marketing arrangements.
- d. Analysis of Strength, Weakness, Opportunity and Threat of the proposed project.

The BRLM confirms that Company Commissioned TEV Report contains material information with respect to the proposed expansion of the Dhule Facility.

The TEV report has been relied upon to undertake the objects of the proposed Offer and the proceeds being raised by the Company.

Estimated Schedule of Implementation

Particulars	Estimated Date of Commencement	Estimated Date of Completion
Land acquisition	Not applicable as the proposed expansion is being planned on the existing land of our Dhule Facility which is owned by our Company	
Factory building – Civil Construction	January 2024	August 2024
Purchase of plant and machinery	January 2024	July 2024
Installation of plant and machinery	July 2024	April 2025
Trial manufacturing	May 2025	June 2025
Commercial operation	July 2025	-

%Estimated implementation schedule as per the Company commissioned TEV Report dated December 30, 2023 issued by Dun & Bradstreet in respect of the proposed expansion of Dhule Facility.

Government Approvals

We may be required to obtain routine approvals including but not limited to: a) consent to establish and consent to operate (air and water); b) boiler certificate; c) electrical drawings approval; d) power connection which will be obtained at the time of implementing the building and civil construction work; e) final approval for operating the proposed expanded capacity; f) layout approval from inspector of factories and; g) Food Safety License amongst others.

Pursuant to application dated July 6, 2023, the Company has received Consent to Establish for part expansion under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6 and Rule 18(7) of the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016. Further, the Company is in receipt of factory building construction approval dated January 15, 2024 issued by Sub-Divisional Officer Shirpur, Dhule.

Our Company undertakes to file necessary applications with the relevant authorities for obtaining all final approvals as may applicable, at the relevant stages of implementation of the proposed expansion of our Dhule Facility. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be deferred or may vary accordingly. Please refer to chapter titled “*Risk Factor No. 6 - Our proposed plans with respect to funding the capital expenditure requirement for expansion of the Dhule Facility are subject to the risk of unanticipated delays in obtaining approvals, implementation and cost overruns which may adversely affect our business and results of operations.*” on page 39 of this RHP.

Utilities and Manpower for the Proposed Expansion

Effluent Treatment Plant (ETP): Our Company proposes to procure ETP plant of capacity of 1,500 KLD, as per the quotation received from Hyper Filtration Private Limited, as mentioned above.

Power: The Company has estimated additional power requirement of about 7,500 KW for the proposed expansion which is proposed be sourced from Maharashtra State Electricity Distribution Co. Ltd.

Fuel: Our Company proposes to use coal for steam generation boiler of 45 TPH capacity, and same will be procured from the surrounding regions.

Manpower: The proposed expansion project is estimated to require 367 personnel across designations and sections. The proposed project location is well developed and therefore it is envisaged that skilled and unskilled manpower is available for the proposed project in the region.

(Source: Company commissioned TEV Report dated December 30, 2023 from Dun & Bradstreet)

2. Repayment and/or pre-payment, in part or full, of certain borrowings availed by our Company

Our Company has entered into certain financing arrangements with banks and financial institutions. For disclosure of our Company's secured and unsecured borrowings as on May 24, 2024 please refer to chapter titled "*Financial Indebtedness*" beginning on page 390.

Our Company proposes to utilise an estimated amount of up to ₹ 1,000.00 million out of the Net Proceeds towards repayment and/or pre-payment of certain existing borrowings availed by our Company. Further, our Company shall pay the prepayment charges, if any, on the loans identified below, out of the portion of Net Proceeds earmarked for this Object. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company. Our Company may repay or refinance part of its existing borrowings prior to the Allotment. Accordingly, our Company may utilise the Net Proceeds for part or full pre-payment or scheduled repayment of any such refinanced borrowings or additional borrowings obtained. Further, the amounts outstanding under the borrowings of our Company as well as the sanctioned limits are dependent on several factors and may vary with our Company's business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. However, our Company confirms that the aggregate amount to be utilised from the Net Proceeds towards pre-payment and/or scheduled repayment of its existing borrowings (including re-financed or additional borrowings availed, if any), in part or full, will not exceed ₹ 1,000.00 million.

We may choose to repay and/or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing this Red Herring Prospectus or Prospectus with the Registrar of Companies, the details in this chapter shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal.

We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that this will improve our debt-equity ratio, enabling us to raise further resources in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the future.

As on May 24, 2024, the aggregated outstanding borrowings of our Company amounted to ₹ 1,642.30 million.

The following table provides the details of outstanding borrowings availed by our Company, any of which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds.

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Sr. No.	Name of the Lender	Nature of Loan	Amount Sanctioned (in ₹ million)	Amount Outstanding at May 24, 2024 (in ₹ million)	Rate of Interest as at May 24, 2024	Repayment Date / Validity Period / Validity Date	Purpose of Raising the Loan [#]	Pre-payment / Pre-closure Charges
1	Karur Vysya Bank	Term Loan	585.00	78.82	9.25%	December 31, 2024	For setting up of Dhule Facility	3.00%
2	Karur Vysya Bank	Term Loan	100.00	17.42	9.25%	February 28, 2025	Purchase of Machineries	3.00%
3	Karur Vysya Bank	Term Loan	20.20	15.15	9.25%	September 30, 2028	For Purchase of Silos	3.00%
4	Karur Vysya Bank	Term Loan	20.20	15.09	9.25%	September 30, 2028	For Purchase of Silos	3.00%
5	Karur Vysya Bank	Term Loan	113.60	85.22	9.25%	September 30, 2028	For installation of Solar Plant at Dhule Facility	3.00%
6	Karur Vysya Bank	Term Loan	50.00	39.53	9.25%	April 30, 2029	For Purchase of Biogas Power Plant, Machineries and Shed	3.00%
7	Karur Vysya Bank	Term Loan	10.00	8.56	9.25%	October 30, 2028	For Purchase of Biogas Power Plant, Machineries and Shed	3.00%
8	Karur Vysya Bank	Term Loan	150.00	124.57	9.25%	April 18, 2031	For Expansion of Dhule Facility	3.00%
9	Karur Vysya Bank	Working Capital – Overdraft	OD Against FD	0.79	9.25%	NA	Working Capital	3.00%
10	Karur Vysya Bank	Cash Credit	950.00	286.48	9.25%	May 31, 2025	Working Capital	3.00%
11	Karur Vysya Bank	Packing Credit		189.83	9.25%		Working Capital	3.00%
12	Karur Vysya Bank	Cash Credit		(23.76)	9.25%		Packing Credit	
13	Karur Vysya Bank	Packing Credit		393.90	9.25%		Purchase of Machineries	
14	Karur Vysya Bank	Term Loan	25.41	16.94	9.25%	November 02, 2024	Working Capital	3.00%
15	Karur Vysya Bank	Term Loan	11.80	7.48	9.25%	October 05, 2024	Working Capital	3.00%
16	Federal Bank	Working Capital	250.00	99.87	9.25%	June 08, 2024	Working Capital	2.00%
Total				1,355.89				

[^] In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purpose availed, our Company has obtained the requisite certificate.

[#] As certified vide certificate dated May 25, 2024, issued by M/s Nahta Jain & Associates, Chartered Accountants independent chartered accountants, the utilisation of the proceeds of the loans, as indicated above has been towards the purpose availed for, as per the sanction letters / loan agreements of the respective loans.

The amounts outstanding against the borrowings disclosed in this chapter may vary from time to time, in accordance with the amounts drawn down, repayment, pre-payment and the prevailing interest rates and other applicable factors. In addition to the above, we may, enter into fresh financing arrangements with banks and financial institutions. In such cases or in case any of the borrowings proposed to be repaid/ pre-paid out of Net Proceeds, are repaid, refinanced or prepaid or further drawn-down or freshly drawn-down, within existing limits or enhanced limits, prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment or pre-payment of the additional borrowings. For further details, please refer to chapter titled “*Financial Indebtedness*” on page 390.

The selection of borrowings proposed to be prepaid and/or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates (ii) any conditions attached to the borrowings restricting our ability to prepay / repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment or foreclosure from the respective lenders, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The selection of the borrowings proposed to be prepaid and/or repaid as mentioned in the table above, is not determined and our Company may utilize the Net Proceeds to prepay and/or repay the facilities not disclosed above in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/or repayment.

For the purposes of the Offer, our Company has intimated and has obtained necessary consent from its lenders, as is required under the relevant facility documentation for undertaking the Offer and certain actions related thereto, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, amendment to the Articles of Association of our Company, change in composition of board of directors etc.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include marketing expense for our business development initiatives, business and operations, overheads, salaries & wages, administrative and general office use, new projects, finance costs, payment to Government, further strengthening of our geographical reach including through establishment of dedicated presence in international markets, funding growth opportunities and strategic purposes as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable laws. Our Company confirms that the amount earmarked out of the Net Proceeds proposed to be deployed towards General Corporate Purposes shall not be deployed towards funding the capital expenditure requirement for expansion of our Dhule Facility and/or repayment or pre-payment, in part or full, or certain borrowings availed by our Company.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company and other relevant considerations, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of the Offer include, amongst others, listing fees, selling commission and brokerage, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, fees payable to the sponsor bank for bids made by UPI bidders, printing and stationery expenses, advertising and marketing expenses, auditor's fees and all other incidental and miscellaneous expenses for listing and trading of the Equity Shares on the Stock Exchanges.

Our Company and the Selling Shareholders will share the costs and expenses (including all applicable taxes, except STT payable on sale of Offered Shares) directly attributable to the Offer (excluding listing fees, audit fees of the Statutory Auditors and expenses for any corporate advertisements, i.e., any corporate advertisements consistent with past practices of our Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) that will be borne by our Company), on a *pro rata* basis, based on the proportion of the proceeds received for the Fresh Issue and the respective Offered Shares. Any expenses in relation to the Offer shall initially be paid by our Company and to the extent of any expense paid by our Company on behalf of the Selling Shareholders, such expense shall be reimbursed to our Company by the Selling Shareholders on completion of the Offer, directly from the Public Offer Account, subject to applicable law. Offer expenses shall be shared on a *pro-rata* basis even if the Offer is not completed.

In the event of withdrawal of the Offer or if the Offer is not successful or consummated, all costs and expenses (including all applicable taxes) with respect to the Offer shall be borne by our Company and the Selling Shareholders (severally and not jointly) to the extent of their respective proportion of such costs and expenses with respect to the Offer.

The estimated Offer expenses are as under:

Expenses*	Estimated expenses ⁽¹⁾ (₹ in million)	As a % of the total estimated Offer expenses	As a % of the total Gross Offer Proceeds
Fees payable to Book Running Lead Manager (inclusive of underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling Commission/processing fee for SCSBs, Sponsor Bank(s) and fees payable to sponsor bank(s) for bids made by RIBs, Bankers to the Offer(s), Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others including but not limited to:	[●]	[●]	[●]
(i) Listing fees, SEBI filing fees, upload fees, BSE and SE processing fees, book building software fees and other regulatory expenses;			
(ii) Printing and distribution of stationery;			
(iii) Advertising and marketing expenses;			
(iv) Fees payable to legal counsel;			
(v) Fees payable to other advisors to the Offer, including but not limited to Statutory Auditors, industry service provider and Chartered Engineer; and			
(vi) Miscellaneous expenses			
Total estimated Offer expenses	[●]	[●]	[●]

*Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus with the RoC.

*Offer expenses are estimates and are subject to change.

*Amounts and Amounts as a % of the Total Offer Size Proceeds will be finalised and incorporated in the Prospectus on determination of the Offer Price including applicable taxes, where applicable.

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

Portion for Retail Individual Bidders	0.30% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.20% of the Amount Allotted* (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

No processing fees shall be payable to the SCSBs on the applications directly procured by them. The Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

(2) Processing fees payable to the SCSBs for processing the Bid cum Application of Retail Individual Investors and, Non-Institutional Investors procured from the Syndicate /Sub-Syndicate Members/Registered Brokers /RTAs/CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Retail Individual Bidders	₹ 10 per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	₹ 10 per valid application (plus applicable taxes)*

*Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Bidders with bids above ₹ 0.5 million would be ₹ 10 plus applicable taxes, per valid application.

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ 0.5 million (plus applicable taxes) and in case the total processing fees exceeds ₹ 0.5 million (plus applicable taxes), then processing fees will be

paid on pro-rata basis for portion of (i) Retail Individual Bidders (ii) Non-Institutional Bidders as applicable such that processing fees payable does not exceed ₹0.5 million.

(3) Selling commission on the portion for Retail Individual Bidders (using the UPI mechanism) and portion for Non-Institutional Bidders which are procured by members of Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	0.30% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.20% of the Amount Allotted* (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The selling commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member.

(4) Uploading charges/ processing charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by UPI Bidders using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate(including their sub-Syndicate Members), RTAs and CDPs will be subject to maximum cap of ₹ 1.00 Million (plus applicable taxes) in case the total processing fees exceeds ₹ 1.0 million (plus applicable taxes), then processing fees will be paid on pro-rata basis for portion of (i) Retail Individual Bidders (ii) Non-Institutional Bidders as applicable such that the total uploading charges/ processing fees payable does not exceed ₹1.0 million.

The Selling commission payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

(5)Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of Syndicate/RTAs/CDPs/Registered Brokers	₹ 10 per valid application (plus applicable taxes)*
Sponsor Banks (Axis Bank Limited)	Up to 1,60,000 valid Bid cum Application Forms: Nil Above 1,60,000 valid Bid cum Application Forms: ₹6.50 per valid Bid cum Application Form (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws
(HDFC Bank Limited)	Up to 4,00,000 valid Bid cum Application Forms: Nil Above 4,00,000 valid Bid cum Application Forms: ₹ 6 per valid Bid cum Application Form (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable law

*The total uploading charges / processing fees payable to members of the Syndicate, RTAs, CDPs, Registered Brokers will be subject to a maximum cap of ₹1.0 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹1.0 million, then the amount payable to members of the Syndicate, RTAs,

CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹1.0 million

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 0.50 million and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for Retail Individual Investor and Non Institutional Investor Bids up to ₹ 0.50 million will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Offer Expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Bridge Financing

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

Interim Use of Net proceeds

Pending utilization of the Net Proceeds for the Objects of the Offer described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Offer as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

Monitoring Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor the utilisation of the Gross Proceeds, including the proceeds proposed to be utilised towards general corporate purposes, prior to filing of this Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (including in relation to the utilisation of the Net Proceeds towards the general corporate purposes) and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such proceeds that have not been utilised, if any, of such currently unutilised proceeds.

Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such proceeds that have not been utilised, if any, of such currently unutilised proceeds. Further, our Company, on a

quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly results.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “**Notice**”) shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, in accordance with the Companies Act, 2013, read with relevant rules. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of the proceeds received from the Offer for Sale, there is no proposal whereby any portion of the Offer Proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel or Senior Management. Further, there are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management or Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 2/- each and the Floor Price is 45 times the face value of Equity Shares and Cap Price is 47.50 times the face value of Equity Shares.

Investors should also refer to the sections “Risk Factors”, “Our Business”, “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on pages 34, 228, 305 and 357 respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- One of the largest manufacturers of maize based speciality products and ingredient solutions in India with diverse product portfolio;
- Speciality products and ingredients solutions player catering to diverse industry segments and poised to benefit; from mega industrial trends;
- Our strategically located, sustainability driven, state of the art manufacturing facilities;
- Global presence in a market with high entry barriers;
- Strong financial growth alongwith robust performance metrics;
- Two Generations of Promoters with domain knowledge;
- Well positioned to leverage the large opportunities in speciality products and ingredient solutions industry and;
- Large, diversified customer base with long lasting relationships.

For further details, please see “Our Business – Our Competitive Strengths” on page 233.

Quantitative Factors

Certain information presented in this section relating to our Company is based on and derived from the Restated Consolidated Financial Statements. For details, see “Financial Information” beginning on page 305.

Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

1. Basic and Diluted Earnings Per Share (“EPS”):

As per the Restated Consolidated Financial Statements:

For the Year / Period	Basic & Diluted EPS (in ₹)	Weight
Fiscal 2024	4.75	3
Fiscal 2023	2.98	2
Fiscal 2022	1.08	1
Weighted Average	3.55	

Note:

(1) Basic EPS (₹) = Basic earnings per share is calculated by dividing the Restated Consolidated Profit for the year / period divided by the weighted average number of Equity Shares outstanding during the year / period, after considering the impact of sub-division of equity shares, for all periods presented;

(2) Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the Restated Consolidated Profit for the year / period divided by the weighted average number of Equity Shares outstanding during the year / period as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year / period, if any and after considering the impact of sub-division of equity shares, for all periods presented;

- (3) Earnings per Share calculations are in accordance with the Indian Accounting Standard 33 'Earnings per share';
- (4) Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued / bought back during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year;
- (5) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Statements as appearing in Restated Consolidated Financial Statements;
- (6) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights;
- (7) Pursuant to a resolution passed at the general meeting of shareholders dated November 28, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value of ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹ 2/- each. The impact of such sub-division of shares has been retrospectively considered for the computation of earnings per share, as per the requirement / principles of Ind AS 33, as applicable.

2. Price to Earnings ("P/E") ratio in relation to Price Band of ₹ 90 to ₹ 95 per Equity Share:

As per the Restated Consolidated Financial Statements:

Particulars	P/E at the lower end of Price Band (number of times)	P/E at the higher end of Price Band (number of times)
Based on Basic EPS for Fiscal 2024	18.95	20.00
Based on Diluted EPS for Fiscal 2024	18.95	20.00

3. Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

Particulars	P/E Ratio (No. of times)
Highest	73.31
Lowest	15.01
Industry Composite	35.66

Notes:

- (1) The industry high and low has been considered from the industry peers set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peers set disclosed in this section. For further details, see "Basis for Offer Price-Comparison of Accounting Ratios with Listed Industry Peers" on page 131;
- (2) The industry P/E ratio mentioned above is based on the parameters for the Fiscal 2024.

4. Return on Net Worth ("RoNW")

As per the Restated Consolidated Financial Statements:

For the Year / Period	RoNW %	Weight
Fiscal 2024	30.92	3
Fiscal 2023	28.00	2
Fiscal 2022	32.51	1
Weighted Average	30.22	

Notes:

- (1) Return on Net worth (%) = Restated Consolidated Profit for the year / period divided by Net worth as at the end of the year / period.
- (2) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Statements, but does not include reserves created out of revaluation

of assets, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as on March 31, 2024, March 31, 2023 and March 31, 2022.

- (3) *Weighted average = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights.*

5. Net Asset Value per Equity Share of face value of ₹ 2/- each

As per the Restated Consolidated Financial Statements:

Particulars	NAV per share (₹)
As on March 31, 2024	15.37
As on March 31, 2023	10.63
As on March 31, 2022	3.32
After the Offer:	
At Cap Price	33.64
At Floor Price	32.49
Offer Price Per Share ⁽¹⁾	[●]

Notes:

- (1) *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
- (2) *Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year / period.*
- (3) *“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated consolidated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.*
- (4) *Pursuant to a resolution passed at the general meeting of shareholders dated November 28, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value of ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹ 2/- each. The impact of such sub-division of shares has been retrospectively considered for the computation of earnings share, as per the requirement / principles of Ind AS 33, as applicable.*

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6. Comparison of accounting ratios with listed industry peers

Name of the company	Standalone/ Consolidated	Current market price (CMP)	Face value per equity share (₹)	Total income (in ₹ million)	EPS (Basic & Diluted) (₹)	PAT Margin (%)	NAV (₹ per share)	P/E Ratio	RoNW (%)
Sanstar Limited	Consolidated Financials Statements	[●]	2/-	10,816.83	4.75	6.17	15.37	[●]	30.92
Peer Group									
Gujarat Ambuja Exports Limited	Consolidated	140.61	1/-	50,714.20	7.54	6.82	60.37	18.65	12.49
Gulshan Polyols Limited	Consolidated	208.93	1/-	13,901.82	2.85	1.28	123.63	73.31	2.30
Sukhjit Starch and Chemicals Limited	Consolidated	480.00	10/-	13,850.40	31.98	3.61	321.75	15.01	9.94

Notes:

- 1) For our Company, the information above is based on the Restated Consolidated Financial Statements for the year ended March 31, 2024.
- 2) All the financial information for listed industry peers mentioned above is on a consolidated basis and has been sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2024 submitted to stock exchanges.
- 3) Current market price (CMP) is the closing market price of the equity shares of the respective companies on NSE on July 05, 2024.
- 4) Diluted EPS refers to the diluted earnings per share sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2024 submitted to stock exchanges.
- 5) NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares. For calculation of NAV for our Company on Restated Consolidated basis, revaluation reserve and amalgamation reserve has been excluded in the calculation of net worth.
- 6) P/E Ratio has been computed based on the CMP divided by the Basic and Diluted EPS.
- 7) RoNW is computed as net profit attributable to owners of the company divided by net worth at the end of the year. For calculation of RoNW for our Company on Restated Consolidated basis, revaluation reserve and amalgamation reserve has been excluded in the calculation of net worth.

7. Key Performance Indicators

The table below sets forth the details of Key Performance Indicators that our Company considers to have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth below, have been approved and verified by the Audit Committee pursuant to meeting dated May 16, 2024.

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which helps our Company in analysing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price which have been disclosed below. Additionally, the KPIs have been certified *vide* certificate dated May 22, 2024 issued by M/s S. C. Bapna & Associates, Chartered Accountants, Statutory Auditor of our Company, who hold a valid certificate issued by the Peer Review Board of the ICAI. The aforesaid certificate, has been included in 'Material Contracts and Documents for Inspection – Material Documents' on page 491.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for the Fiscals 2024, 2023 and 2022 is set out below:

As per the Restated Consolidated Financial Statements

<i>(₹ in million except per share data or unless otherwise stated)</i>			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations ⁽¹⁾	10,672.71	12,050.67	5,044.02
EBITDA ⁽²⁾	981.41	724.47	397.20
EBITDA Margin (%) ⁽³⁾	9.20	6.01	7.87
PAT ⁽⁴⁾	667.67	418.05	159.21
PAT Margin (%) ⁽⁵⁾	6.17	3.46	3.15
EPS - Basic & Diluted ⁽⁶⁾	4.75	2.98	1.08
Total Borrowings ⁽⁷⁾	1,276.36	1,117.00	852.24
Net worth ⁽⁸⁾	2,159.12	1,492.81	489.67
ROE (%) ⁽⁹⁾	30.92	28.00	32.51
ROCE (%) ⁽¹⁰⁾	25.43	23.82	23.19
Debt - Equity Ratio ⁽¹¹⁾	0.50	0.60	1.00
Fixed Assets Turnover Ratio ⁽¹²⁾	5.28	6.16	3.79
Net Cash from/ (used in) Operating Activities ⁽¹³⁾	285.97	(60.17)	297.14
No. of Plants ⁽¹⁴⁾	2	2	1
Total installed capacity in metric tonnes per day ⁽¹⁵⁾	1,100	1,100	750
No. of customers ⁽¹⁶⁾	525	541	215
Export presence (no. of countries) ⁽¹⁷⁾	49	49	5
Revenue CAGR (%) ⁽¹⁸⁾			45.46
EBITDA CAGR (%) ⁽¹⁸⁾			57.19
PAT CAGR (%) ⁽¹⁸⁾			104.79

As certified by M/s S. C. Bapna & Associates, Chartered Accountants, Statutory Auditors of our Company, *vide* their certificate dated May 22, 2024.

- 1) Revenue from operations is calculated as revenue from sale of products as per the Restated Consolidated Financial Statements;
- 2) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
- 3) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
- 4) PAT represents total profit after tax for the year / period;
- 5) PAT Margin is calculated as PAT divided by total income;
- 6) Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.
- 7) Total Borrowings are calculated as total of current and non-current borrowings;

- 8) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
- 9) ROE is calculated as PAT divided by net worth
- 10) ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth as defined in (8) above + total current & non-current borrowings– cash and cash equivalents and other bank balances;
- 11) Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & non-current borrowings; total equity means sum of equity share capital and other equity;
- 12) Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total of property, plant & equipment. Figures for property, plant & equipment do not include capital work-in-progress.
- 13) Net Cash from/ (used in) Operating Activities is calculated as Net Cash from/ (used in) Operating Activities as per the Restated Consolidated Financial Statement.
- 14) No of Plants indicates the number of manufacturing facilities operated by the Company.
- 15) Total installed capacity is the maize crushing capacity of the Company in metric tonnes per day.
- 16) No. of customers is the aggregate customers served by the Company.
- 17) Export presence is the no. of global countries to which the sales are made by the company.
- 18) CAGR = Compounded Annual Growth Rate

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 228 and 357, respectively. All such KPIs have been defined consistently and precisely in 'Definitions and Abbreviations – Key Performance Indicators' on page 16.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in this "Basis for offer Price" section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "Objects of the Offer" on page 111.

Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company:

<i>(₹ in million except per share data or unless otherwise stated)</i>	
KPI	Explanation
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size 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 (PAT) for the year / period 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
EPS	EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time
Net worth	Net worth is used to track the book value and overall value of shareholders' equity
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders' funds
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business

KPI	Explanation
Debt - Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers
Fixed Assets Turnover Ratio	Fixed Asset Turnover is the efficiency at which our Company is able to deploy its assets (on net block basis) to generate the Revenue from Operations
Net Cash from/ (used in) Operating Activities	Cashflow from/ (used in) Operating Activities is our Company's ability to generate cash from our core business operations
No. of Plants	Number of Plants is used to indicate the number of manufacturing facilities operated by the Company.
Total installed capacity in metric tonnes per day	Total installed capacity is the maize crushing capacity of the Company in metric tonnes per day.
No. of customers	Number of customers indicate the no. of customers served by the company.
Export presence (no. of countries)	Export presence indicate aggregate number of global countries to which sales is made by the Company
Revenue CAGR (%)	Revenue CAGR growth provides information regarding the growth in terms of our business for the respective period, in terms of CAGR
EBITDA CAGR (%)	EBITDA CAGR growth provides information regarding the growth in operating profit from our core business for the respective period, in terms of CAGR
PAT CAGR (%)	PAT CAGR growth provides information regarding the growth in our profit after tax from for the respective period, in terms of CAGR

Our Company confirms that it has not disclosed the KPIs to any investors at any point of time during the last three Fiscals preceding the date of this RHP.

8. Comparison of Key Performance Indicators with Listed Industry Companies

While the listed peers mentioned below operate in the same industry as us, and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

Below are details of the KPIs of our listed peers for and as at the financial year ended March 31, 2024:

(₹ in million except per share data or unless otherwise stated)

Particulars	Sanstar Limited [#]	Gujarat Ambuja Exports Limited	Gulshan Polyols Limited	Sukhjit Starch and Chemicals Limited
Revenue from Operations	10,672.71	49,267.00	13,779.76	13,753.50
EBITDA ⁽¹⁾	981.41	4,423.70	580.77	1,280.20
EBITDA Margin (%) ⁽²⁾	9.20	8.98	4.21	9.31
PAT ⁽³⁾	667.67	3,458.70	177.58	499.60
PAT Margin (%) ⁽⁴⁾	6.17	6.82	1.28	3.61
EPS (Basic & Diluted) ⁽⁵⁾	4.75	7.54	2.85	31.98
Total Borrowings ⁽⁶⁾	1,276.36	1,970.20	3,536.95	3,244.90
Net worth ⁽⁷⁾	2,159.12	27,690.00	7,710.66	5,026.42
ROE (%) ⁽⁸⁾	30.92	12.49	2.30	9.94
ROCE (%) ⁽⁹⁾	25.43	10.90	2.31	11.48
Debt - Equity Ratio ⁽¹⁰⁾	0.50	0.07	0.46	0.65
Fixed Assets Turnover Ratio ⁽¹¹⁾	5.28	4.90	2.66	2.64
Net Cash from/ (used in) Operating Activities ⁽¹²⁾	285.97	2,131.50	662.78	777.40
No. of Plants ⁽¹³⁾	2	5	2	4
Total installed capacity in metric tonnes per day ⁽¹⁴⁾	1,100	NA	NA	NA
No. of customers ⁽¹⁵⁾	525	NA	NA	NA
Export presence (no. of countries) ⁽¹⁶⁾	49	NA	NA	NA

Below are details of the KPIs of our listed peers for and as at the financial year ended March 31, 2023:

(₹ in million except per share data or unless otherwise stated)

Particulars	Sanstar Limited [#]	Gujarat Ambuja Exports Limited	Gulshan Polyols Limited	Sukhjit Starch and Chemicals Limited
Revenue from Operations	12,050.67	49,089.90	11,797.30	14,465.72
EBITDA ⁽¹⁾	724.47	4,750.40	879.98	1,470.90
EBITDA Margin (%) ⁽²⁾	6.01	9.68	7.46	10.17
PAT ⁽³⁾	418.05	3,301.00	451.82	633.61
PAT Margin (%) ⁽⁴⁾	3.46	6.62	3.81	4.37
EPS (Basic & Diluted) ⁽⁵⁾	2.98	7.20*	8.69	40.56
Total Borrowings ⁽⁶⁾	1,117.00	2,266.50	2,528.61	3,192.75
Net worth ⁽⁷⁾	1,492.81	24,339.60	7,556.18	4,655.39
ROE (%) ⁽⁸⁾	28.00	13.56	5.98	13.61
ROCE (%) ⁽⁹⁾	23.82	14.91	5.91	14.43
Debt - Equity Ratio ⁽¹⁰⁾	0.60	0.09	0.33	0.69
Fixed Assets Turnover Ratio ⁽¹¹⁾	6.16	4.73	4.28	2.74
Net Cash from/ (used in) Operating Activities ⁽¹²⁾	(60.17)	2,413.60	154.41	409.69
No. of Plants ⁽¹³⁾	2	5	2	4
Total installed capacity in metric tonnes per day ⁽¹⁴⁾	1100	4000	600	1600-1700
No. of customers ⁽¹⁵⁾	541	1300+	NA	NA
Export presence (no. of countries) ⁽¹⁶⁾	49	100+	42+	NA

*The bonus issue of 1:1 was made on March 15, 2024, effect of the same has also been given in the preceding year EPS i.e., March 31, 2023.

Below are details of the KPIs of our listed peers for and as at the financial year ended March 31, 2022:

(₹ in million except per share data or unless otherwise stated)

Particulars	Sanstar Limited [#]	Gujarat Ambuja Exports Limited	Gulshan Polyols Limited	Sukhjit Starch and Chemicals Limited
Revenue from Operations	5,044.02	46,703.10	11,007.26	11,589.74
EBITDA ⁽¹⁾	397.20	6,871.20	1,501.18	1,577.38
EBITDA Margin (%) ⁽²⁾	7.87	14.71	13.64	13.61
PAT ⁽³⁾	159.21	4,754.40	852.49	728.44
PAT Margin (%) ⁽⁴⁾	3.15	10.06	7.73	6.27
EPS (Basic & Diluted) ⁽⁵⁾	1.08	10.37*	13.67**	46.63
Total Borrowings ⁽⁶⁾	852.24	2,780.70	1,168.92	2,765.00
Net worth ⁽⁷⁾	489.67	21,183.10	7,161.37	4,125.83
ROE (%) ⁽⁸⁾	32.51	22.44	11.90	17.66
ROCE (%) ⁽⁹⁾	23.19	24.80	16.58	18.13
Debt - Equity Ratio ⁽¹⁰⁾	1.00	0.13	0.16	0.67
Fixed Assets Turnover Ratio ⁽¹¹⁾	3.79	6.11	4.64	2.40
Net Cash from/ (used in) Operating Activities ⁽¹²⁾	297.14	5,958.20	609.30	1,442.21
No. of Plants ⁽¹³⁾	1	10	2	4
Total installed capacity in metric tonnes per day ⁽¹⁴⁾	750	5,000	600	1600-1700
No. of customers ⁽¹⁵⁾	215	1275+	NA	NA
Export presence (no. of countries) ⁽¹⁶⁾	5	57+	NA	NA

#As certified by M/s S. C. Bapna & Associates, Chartered Accountants Statutory Auditors of our Company, vide their certificate dated May 22, 2024.

*The bonus issue of 1:1 was made on March 15, 2024, effect of the same has also been given in the preceding year EPS i.e., March 31, 2022.

**The bonus issue of 1:5 was made on June 21, 2023, effect of the same has been also given in the preceding year EPS i.e., March 31, 2022.

Notes:

- 1) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
- 2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
- 3) PAT represents total profit after tax for the year / period;
- 4) PAT Margin is calculated as PAT divided by total income;
- 5) Basi and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.
- 6) Total Borrowings are calculated as total of current and non-current borrowings;
- 7) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
- 8) ROE is calculated as PAT divided by net worth
- 9) ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth as defined in (8) above + total current & non-current borrowings– cash and cash equivalents and other bank balances;
- 10) Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & non-current borrowings; total equity means sum of equity share capital and other equity;
- 11) Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total of property, plant & equipment. Figures for property, plant & equipment do not include capital work-in-progress.
- 12) Net Cash from/ (used in) Operating Activities is calculated as Net Cash from/ (used in) Operating Activities as per the Restated Consolidated Financial Statement.
- 13) No of Plants indicates the number of manufacturing facilities operated by the Company.
- 14) Total installed capacity is the maize crushing capacity of the Company in metric tonnes per day.
- 15) No. of customers is the aggregate customers served by the Company.
- 16) Export presence is the no. of global countries to which the sales are made by the company.
- 17) All the financial information and operational matrix for the listed industry peers mentioned above is on a consolidated basis and has been sourced from the annual reports/annual results as available of the respective company for the respective years ended March 31,2024, March 31, 2023 and March 31, 2022 submitted to stock exchange.

9. Weighted average cost of acquisition

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

Except as stated below, there has been no issuance of Equity Shares or convertible securities, 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-Offer 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.

As on date of this Red Herring Prospectus, our Company has not adopted or implemented any employee stock options plan. Further, our Company has not issued any bonus shares in preceding 18 months from the date of this Red Herring Prospectus.

Date of allotment/transaction	No. of Equity Shares (Original)	No. of Equity Shares (After sub-division)	Face Value (₹)	Nature of Allotment	Nature of Consideration	Total Consideration
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November 25, 2023	3,068,850	15,344,250	2/-	Allotment pursuant to Scheme of Amalgamation	N.A.#	N.A.#
Total	3,068,850	15,344,250				
Weighted average cost of acquisition						N.A.

#Pursuant to scheme of amalgamation entered into our Company and Sanstar Biopolymers Limited approved by the NCLT, Ahmedabad vide order dated November 23, 2023, 15,344,250 Equity Shares were allotted to the existing shareholders of Sanstar Biopolymers Limited.

B. The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group, or Shareholder(s) having the right to nominate director(s) on the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus Herring Prospectus, 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-Offer 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.

Weighted average cost of acquisition, Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price	Cap Price
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under ESOP Scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer 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	NA	NA	NA
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Promoter Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer 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	NA	NA	NA
#There were no primary or secondary transactions of Equity Shares of the Company during the 18 months preceding the date of filing of this Red Herring Prospectus. Further, there are no transactions to report under the last five primary or secondary transactions where Promoter /Promoter Group entities or Promoter Selling Shareholders or Shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction.			
<i>The above details related to WACA have been certified by M/s. Nahta Jain & Associates, independent chartered accountants vide their certificate dated July 06, 2024.</i>			
#As there are no transactions to be reported under parts (i) and (ii) above, computation of weighted average price is not required here.			

1. Detailed explanation for Offer Price/Cap Price vis-à-vis weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) along with our Company's key financial and operational metrics and financial ratios for the Fiscals 2023, 2022 and 2021.

We are one of the major manufacturers of plant based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications (*Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024*)

During Fiscal 2024, our revenue from exports was ₹ 3,944.38 million respectively, representing 35.53 % of our Gross Revenue from Operations, on the basis of our Restated Consolidated Financial Statements. We exported our products to 49 countries across Asia, Africa, Middle East, Americas, Europe and Oceania, during Fiscal 2024, on the basis of our Restated Consolidated Financial Statements

Our revenue from operations has increased at a CAGR of 45.46% from ₹ 5,044.02 million in Fiscal 2022 to ₹ 10,672.71 million in Fiscal 2024 while our profit after tax has grown at a CAGR of 104.79% from ₹ 159.21 million in Fiscal 2022 to ₹ 667.67 million in Fiscal 2024, on the basis of our Restated Consolidated Financial Statements.

2. Explanation for Offer Price/Cap Price vis-à-vis weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (as set out above) in view of the external factors which may have influenced the pricing of the Offer.

India is major producer of maize globally. It ranked 6th in the world's maize production and 4th in terms of maize acreage. Across 205.87 Mn Ha, 1.21 billion MT of maize was produced worldwide. (*Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024*)

Starch has multiple uses across industries. Food industry is largest consumer of maize based specialty products and ingredients solutions. (*Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024*)

India is the largest exporter of Maize starch globally. It exported ~478 KT of Maize starch in 2022 which accounted for 20% of global trade. Export volumes have increased by 15% since 2018- 2022. (*Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024*)

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of the market demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the BRLM, are of justified view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Statements*” and “*Management's Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 34, 228, 305 and 357 respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the chapter titled ‘*Risk Factors*’ beginning on page 34 and any other factors that may arise in the future and you may lose all or part of your investments.

The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Statements*” and “*Management's Discussion and Analysis of Financial Position and Results of Operations*” on pages 34, 228, 305 and 357, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” beginning on page 34 and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

**The Board of Directors,
Sanstar Limited**
Sanstar House,
Opposite Suvidha Shopping Centre,
Near Under Bridge,
Mahalaxmi Char Rasta,
Paldi, Ahmedabad – 380 007
Gujarat (India)
(The “Company”)

Re: Proposed initial public offering of equity shares of face value of Rs. 2 each (the “Equity Shares” and such offering, the “Issue”) of ‘Sanstar Limited’ (the “Company”)

We hereby report that the enclosed Annexure I prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together “**the Tax Laws**”), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

- i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

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

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing

provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This certificate is issued for the sole purpose of the Offer and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Offer and in accordance with applicable law.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead and adequate to enable investors to make a well informed decision.

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Offer.

We undertake to update you in writing of any changes in the abovementioned position upon the receipt of communication from the management of the company, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Yours faithfully,
For M/s S. C. Bapna & Associates
Chartered Accountants
ICAI Firm Registration No: 115649W

Vijay Jain
Partner
Membership no. 420795
UDIN: 24420795BKBOHA2821

Place: Ahmedabad
Date: May 21, 2024
Encl: As above

ANNEXURE I

Sr. No	Details of tax Laws
1	Income-tax Act, 1961 and Income-tax Rules, 1962
2	Central Goods and Services Tax Act, 2017
3	Integrated Goods and Services Tax Act, 2017
4	State Goods and Services Tax Act, 2017
5	Goods and Services Tax (Compensation to States) Act, 2017
6	Customs Act, 1962
7	Customs Tariff Act, 1975
8	Foreign Trade Policy 2023

Annexure to Direct Taxes

1. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')

The Company has opted the New Regime Scheme in FY 2020-21 AY 2021-22 and paying Income tax @ Effective Rate: 25.168%

2. Deductions from Gross Total Income: 80JJAA

Section 80JJA under Income Tax Act 1961 which provide the deduction to an employer for generating employment. The deduction equal to 30% of the amount of additional employee cost for 3 consecutive assessment years beginning from the previous year in which such additional cost is incurred in the course of such business. Company has not availed such benefit under this scheme. From AY 2024-25 this scheme is available at the discretion of management.

3. Deductions in respect of specified expenditure-35D (Public issue expense)

As company is expecting to raise capital through public issue w.r.t expenses incurred to share issuing expenses is allowable under section 35D from AY 2024-25 will be available at the discretion of management.

4. Special tax benefits available to the shareholders of the Company-112A and 111A

- i) As per section 112A of the Income-tax Act, 1961 ('the Act'), long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000.
- ii) As per section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the Act.

ANNEXURE II

Benefits Under Indirect tax

1. Zero rated benefit under GST on export of services:

The specific tax benefit of not charging GST on supply of services considered as 'export of services' in terms of Section 2(6) of the IGST Act is available to the Company under Section 16 of the IGST Act upon fulfilment of the specified conditions.

As per Section 2(6) of the IGST Act, the services shall qualify as 'export of services' when

- a) the supplier of service is located in India;
- b) the recipient of service is located outside India;
- c) the place of supply of service is outside India;
- d) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and
- e) The supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8 And in such situations, the Company is required to supply the services under the cover of letter of undertaking and the Company is also entitled to claim refund of the unutilized input tax credit accumulated in the electronic credit ledger owing to the zero-rated nature of supply. In cases where GST is discharged by the Company on the export of services in terms of Section 16 of the IGST. Act, the Company is entitled to claim a refund of such GST paid under Section 54 of the CGST Act.

2. Exemption from payment of tax on interest income earned from bank deposits and other non-current

Investments: The Company is entitled to avail exemption on interest income earned from bank deposits and other non-current investments in terms of Entry No. 28(a) of the Notification No. 9/2017-Integrated Tax (Rate) dated 28 June 2017, as amended from time to time.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Disclaimer:

The industry research report titled ‘Industry Report on Maize Based Speciality Products And Ingredient Solutions’ dated May 18, 2024 is exclusively prepared and issued for the purpose of the Offer by Frost & Sullivan and commissioned and paid for by our Company. Frost & Sullivan was appointed by our Company exclusively for the purpose of the Offer. Further, Frost & Sullivan is an independent agency, and is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel, our Senior Management or the BRLM. This report will be available on the website of our Company at <https://www.sanstar.in/>.

Unless noted otherwise, the information in this section is obtained or extracted from “Industry Report on Maize Based Sepciality Products and Ingredient Solutions” dated May 18, 2024 which was commissioned by and paid for by our Company (the “F&S Report”). Frost & Sullivan was appointed by our Company pursuant to an engagement letter dated October 27, 2023 for the purpose of preparation of the F&S Report. We commissioned and paid for the F&S Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer for an agreed fee. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer) that has been left out or changed in any manner. A copy of the F&S Report shall be available on the website of our Company <https://www.sanstar.in/>

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information.

The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further details, see “Certain Conventions, Presentation of Financial, Industry and Market Data—Industry and Market Data” on page 18. Also see “Risk Factor titled ‘This Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from Frost & Sullivan, appointed by our Company exclusively for the purpose of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate’ on page 61.

MACROECONOMIC OVERVIEW

Real GDP Growth and Forecasts: Global and Key Regions

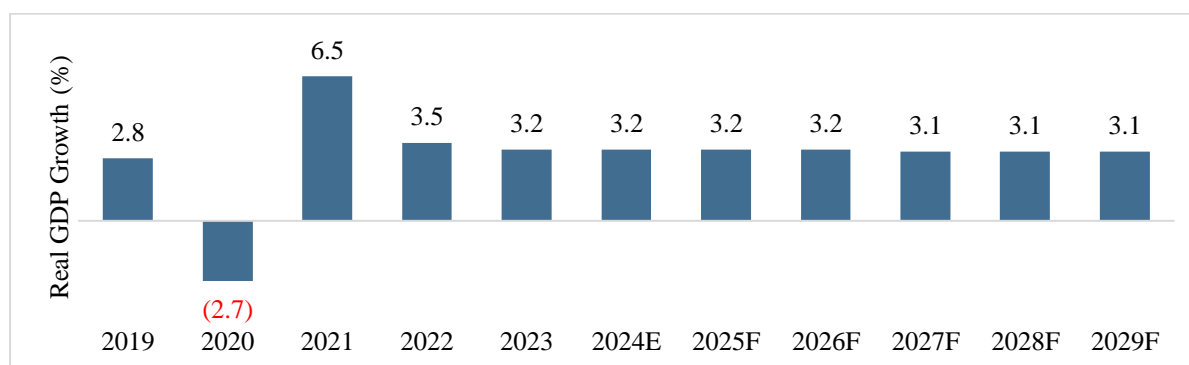
After a significant increase in global economic growth in 2021, world GDP growth moderated by 3.5% in 2022. This was due to disruptions caused by the conflict between Russia and Ukraine, which severely impacted essential food and energy supplies, leading to soaring prices worldwide. These high and unstable prices made life more expensive worldwide, making it harder for people to afford food and causing prices within countries to rise even more.

In 2023, the global economy grew by a modest 3.2%, with high interest and inflation rates continuing to weigh on economic activity. Moreover, growth remains uneven in Europe, with lower-than-expected growth in regional heavyweights such as the UK and Germany, which impacted the Eurozone’s 2023 economic growth (0.4%). Constrained manufacturing activity, subdued business confidence, interest rate hikes, and geopolitical concerns are all impacting growth. Germany, Europe’s largest economy, contracted by 0.3% in 2023 due to high inflation, a subdued export market, a weakening domestic industrial sector, and labor market upheaval.

China’s economy picked up momentum in 2023, with 5.2% GDP growth, as the country aims to revive its economy through the issuance of a fiscal stimulus package that will foster retail and industrial growth, lower unemployment, increase private sector confidence, and strengthen the yuan. However, a deepening property crisis and tensions with the US might cause some pullback.

In 2023, advanced nations witnessed a soft landing, with just 1.6% GDP growth, as tight monetary policies and elevated prices continue to weigh on business and consumer spending and investment inflows. However, emerging markets such as India, China, Saudi Arabia, Vietnam, Thailand remained resilient amidst strong domestic demand, wage growth, and a competitive private sector. For the period between 2024 and 2029, the global economy is expected to grow at an average rate of 3.1%.

Real GDP Growth, Global, 2019-2029F (%)



Note: E-Estimates and F-Forecasts. Negative numbers are in parentheses.

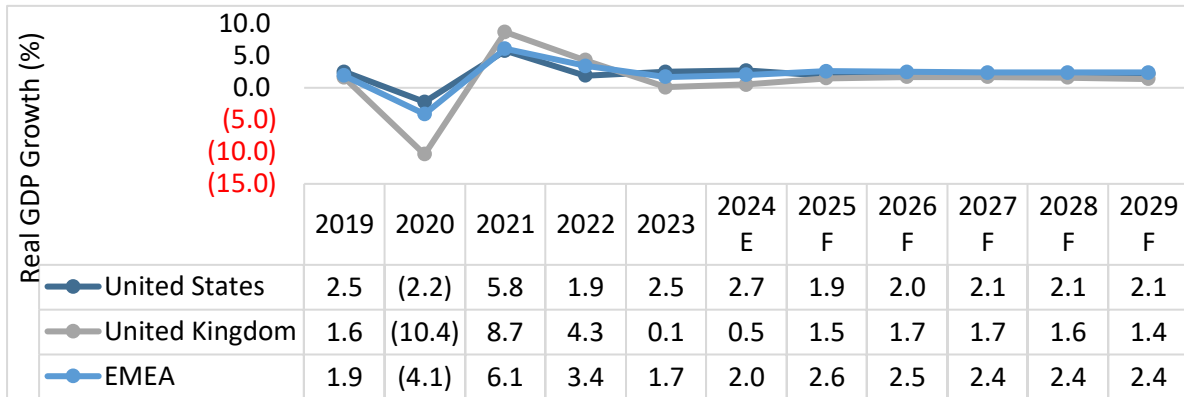
Source: International Monetary Fund (IMF); Frost & Sullivan

The US, on the other hand, has defied expectations of a recession, as a resilient labor market, and high household spending and grew by 2.5% in 2023. Robust labor productivity and strong job growth will continue to benefit the US economy over 2024 and medium-term.

Saudi Arabia and the United Arab Emirates in the Middle East will see steady long-term growth momentum as oil revenues get actively re-invested into local non-oil economies. As these nations prioritize economic diversification away from fossil fuels, growth of their manufacturing and tertiary sectors will position them as key drivers of global growth over the coming decade.

While African economies have remained resilient despite multiple external shocks such as a global monetary policy tightening and supply disruptions, the region’s short-term growth outlook is subject to downside risks. Extreme and frequent climate events, growing debt servicing costs, and regional geopolitical instability will weigh on growth. However, over the long-term, export diversification to include the region’s abundant natural resources, availability of a huge young population, adoption of climate mitigation policies, and developing a sustainable fiscal policy will encourage economic growth.

Real GDP Growth, US, UK, EMEA¹, 2019-2029F (%)



Note: E-Estimates and F-Forecasts. Negative numbers are in parentheses.

Source: IMF; Frost & Sullivan

¹EMEA (European Union, Middle East and Central Asia, and Sub-Saharan Africa): The following countries were considered for the regional calculation:

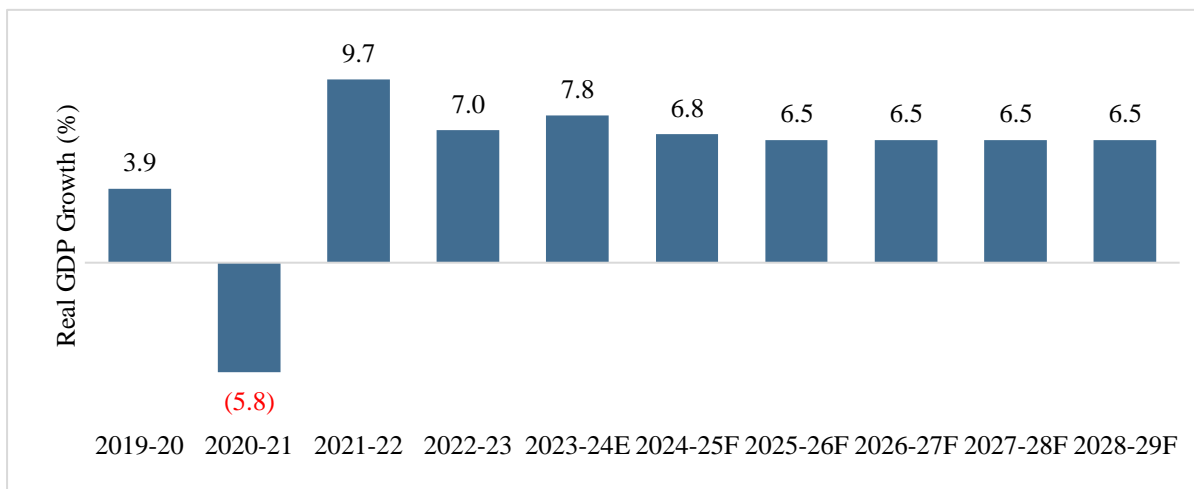
European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden

Middle East and Central Asia: Afghanistan, Algeria, Armenia, Azerbaijan, Bahrain, Djibouti, Egypt, Georgia, Iran, Iraq, Jordan, Kazakhstan, Kuwait, Kyrgyz Republic, Lebanon, Libya, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tajikistan, Tunisia, Turkmenistan, United Arab Emirates, Uzbekistan, West Bank and Gaza, Yemen

Sub-Saharan Africa: Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Republic of Congo, Côte d'Ivoire, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe

Real GDP Growth and Forecasts: India

Real GDP Growth, India, FY2019-20 – FY2028-29F (%)



Note: E-Estimates and F-Forecasts. Negative numbers are in parentheses.

Source: IMF; Frost & Sullivan

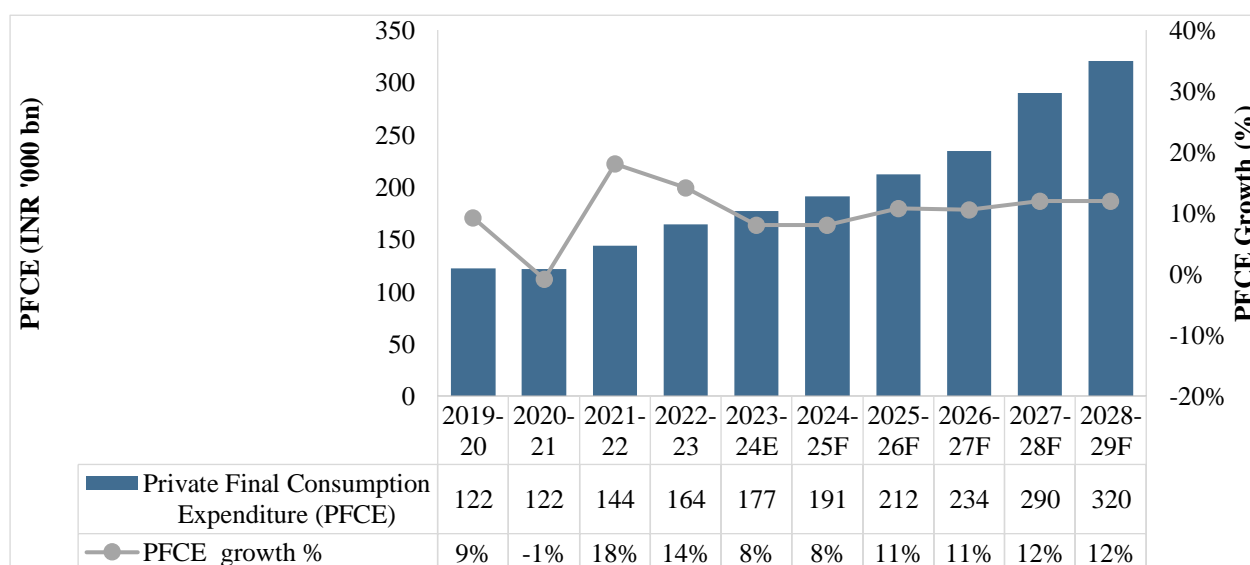
Despite a challenging global environment, India has been a bright spot. Following upbeat estimated growth of 7.8% in FY2023-24, India's growth is forecast to moderately slow down to 6.8% in FY2024-25. Expanding government spending across key growth industries such as infrastructure, logistics, manufacturing, energy, transportation, and construction is leading to employment generation, increasing the influx of vital foreign investments, and improving the competitiveness of the country's private sector. Growing focus on micro-level healthcare, education, digitalization, and finance access is leading to socio-economic development of the Indian populace.

During the 2023-2029 period, the Indian economy is expected to grow at an average rate of 6.8%, supported by a demographic dividend, increasing urban household income levels, technological advancements, and climate change mitigation policies. With the country's strong growth outlook, India is poised to overtake Germany and Japan to become the 3rd largest economy globally by 2030.

Private Final Consumption Expenditure (PFCE) Growth in India

PFCE has remained an important factor in insulating the Indian economy traditionally, contributing to over 60.0% of the country's GDP. PFCE picked up steam after a brief plunge in 2020 due to the pandemic. In FY2022-23, PFCE witnessed growth of 14.2% compared to the previous year. As per early estimates, PFCE is estimated to grow at 8% in FY2023-24, rising from INR 164 billion to INR 177 billion. This points to relatively strong demand, despite softening global growth and tight credit conditions in H1 2024. A pattern has been emerging in India's demand recovery thus far, by which demand growth for mid-premium products has been stronger, while that for budget and entry-level products has been weaker.

Private Final Consumption (INR 000'Bn) and Growth (%), India, FY2019-20 to FY2028-29F



Note: E-Estimates and F-Forecasts.

Source: MOSPI, Frost & Sullivan

Overview of Agriculture Statistics and Performance

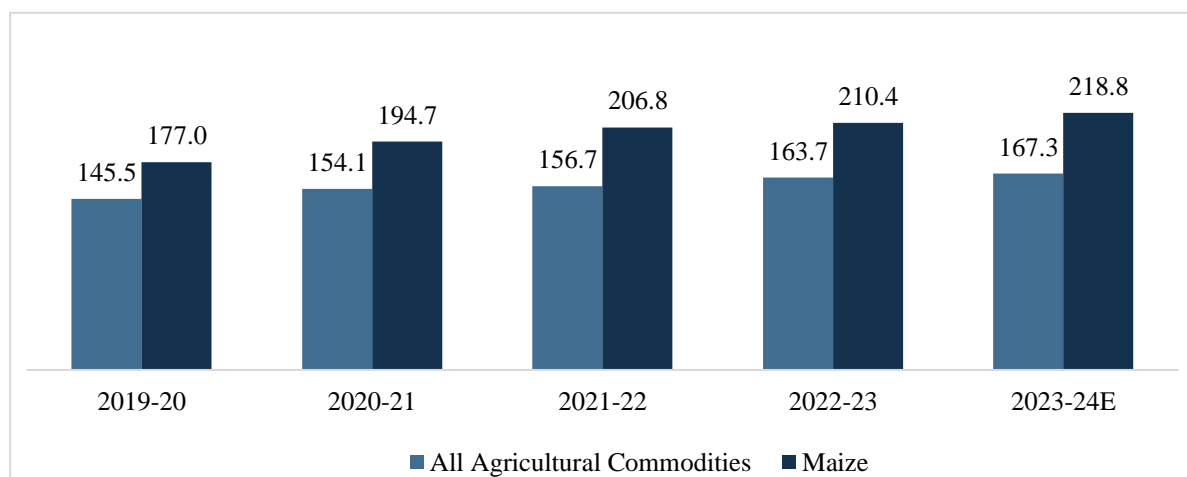
After 5.9% rise in the agriculture production in FY2021, in FY2022 total agricultural production increased by a marginal 0.7% compared to the previous year. The extreme weather events in 2022, such as higher than normal temperatures in March impacting wheat production and rainfall shortages in Uttar Pradesh, Bihar, Jharkhand, and West Bengal, have led to lower-than-expected agricultural production.

However, in FY2023 and FY2024, production in agriculture and allied sectors witnessed a record jump, especially attributed to foodgrain production. Key demand-side drivers such as population growth and export market

expansion, as well as supply-side drivers such as ideal climate, technologically advanced irrigation infrastructure, the Green Revolution in Eastern India, an increase in climate-smart agricultural practices, and policy and infrastructure support such as the "Krishi Nivesh" portal, Paramparagat Krishi Vikas Yojana, Pradhan Mantri Gram Sinchai Yojana, and Sansad Adarsh Gram Yojana, along with the Kisan Rath app, 200+ Kisan Rails, and Krishi Udaan Scheme for produce transportation, are worth noting in agricultural production boost in recent years.

Meanwhile, maize production increased by 6.2% during FY2022, amid better seed availability, expansion of storage and marketing networks, increasing public-private partnerships, and growing agricultural subsidies. The index number for maize production crossed 200 in FY2022 recording a consistent rise since FY2020.

Index Numbers of Agricultural Production, India, FY2020 - FY2024E



Note: Figures for Maize for 2023-24 is a Frost & Sullivan estimate; Base: Triennium ending 2007-08= 100. The index number of production for a specific year for an individual crop is the percentage of current year production of the crop with respect to the base year production of the crop.

Source: Economic Survey 2022-23; Ministry of Finance - India; Frost & Sullivan

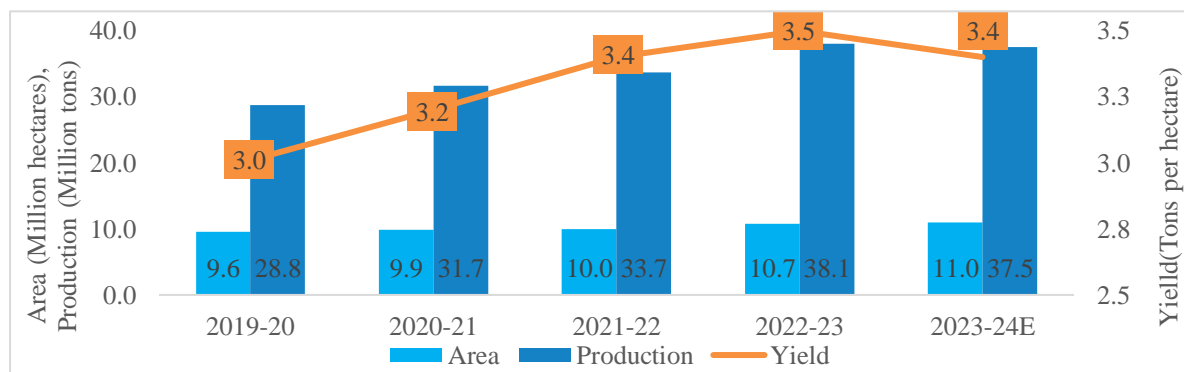
Maize is an important crop in India responsible for the employment of over 650 million farmers. As of Local Marketing Year 2022/23, India is the fifth¹ largest maize producer globally. The increased maize production in India during the year can mainly be attributed to the delayed arrival of monsoon and its slow progress, which led to a larger section of farmers preferring to plant Maize over other crops such as pulses and cotton. Meanwhile, India needs to increase its maize production by 10 million tonnes over the next five years to meet domestic demand. To achieve this, India needs to encourage greater investments within the maize supply chain in a systematic manner.

Climatic conditions such as El Nino are likely to impact India's kharif season agricultural production. A delayed as well as uneven monsoon has considerably impacted the country's rice production, despite higher than usual acreage. Production of moong, urad, soybean, and sugarcane is also expected to be impacted due to the erratic monsoon season.

This drop in kharif production could cause some setback to the Indian government's effort to minimize food inflation and could also increase the country's agricultural import share.

¹ According to Grain: World Markets and Trade October 2023, United States Department of Agriculture

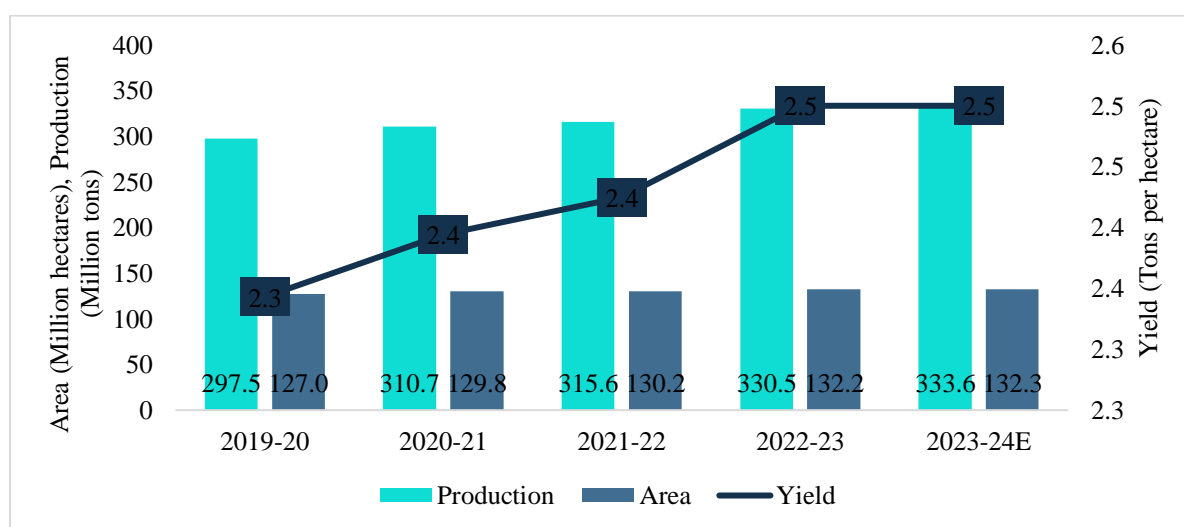
Area, Production and Yield of Maize Crop, India, FY2020 – FY2024E



Note: Figures for 2023-24 are estimates.

Source: United States Department of Agriculture; Frost & Sullivan

Area, Production and Yield of All Agricultural Commodities, India, FY2020 – FY2024E

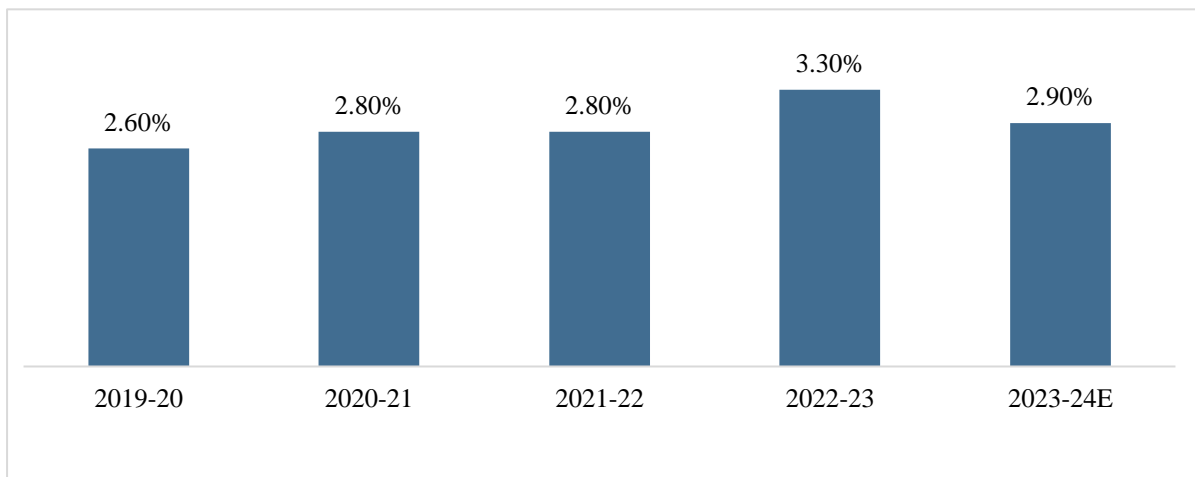


Note: Figures for 2023-24 are Frost & Sullivan estimates.

Source: Reserve Bank of India; Frost & Sullivan

India's contribution to global maize production registered a moderate increase from 2.6% in FY2020 to 3.3% in FY2023 and is forecast to marginally decline to 2.9% in FY2024 (Exhibit 6) owing to stronger output coming from South America. India has the potential to increase its maize production from the current levels of ~37.5 million tons to 50 million tons by raising yield to 5 tons/ha over the next five years. Appropriate policy measures and steps to strengthen post-harvest infrastructure, improve storage facilities, implement price stabilization mechanisms, and development of an integrated value chain plan will bolster overall productivity and farmers' income.

Production Contribution in Global Maize Production, India, FY2020 – FY2024E (%)



Note: Figures for 2023-24 are estimates.

Source: Economic Survey 2022-23; United States Department of Agriculture; Frost & Sullivan

Raw Material Overview for Maize Starch in India

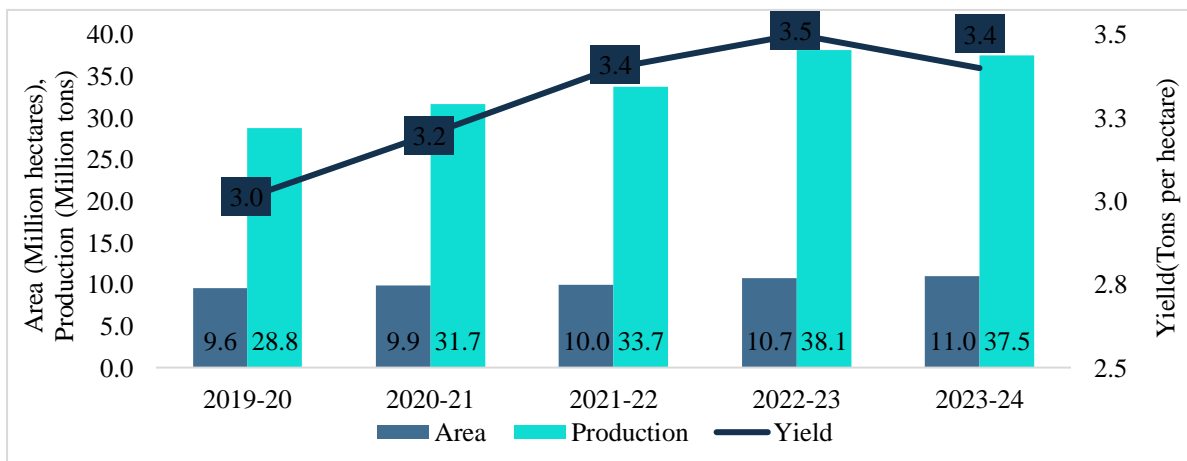
Overview of Maize Production in India

Maize is one of the major cereal crops grown in India. Maize is a high nutrient crop with versatile applications in end use industries. Maize crop has an important place in the food grain basket of our country, and it is the third most prioritized food grain crop due to its importance in food, feed, specialty maize starch etc.

There is an increased demand for maize in India which is also evident from an upward trend over the last two decades on area and productivity gains from new improved hybrid seeds. Domestic demand from livestock feed manufacturers and the maize starch industry is driving the growth along with the prevalent competitive prices.

Production has increased at CAGR 5.5% from 2019-20 to 2023-24. India ranks 4th in terms of global maize acreage and 6th in production. Rising domestic demand for industrial usage and poultry feed may outstrip the domestic maize production in the near future.

Area, Production and Yield of Maize Crop, India, FY2020 – FY2024E



Note: Figures for 2023-24 are estimates

Source: United States Department of Agriculture; Frost & Sullivan

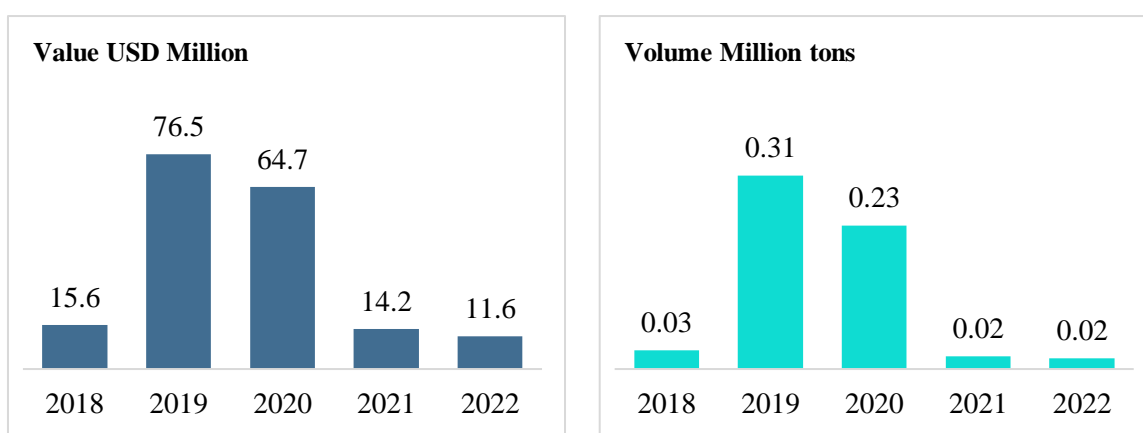
In addition to its prominence among food grains, maize is crucial to India's agribusiness value chain's overall development. It is important to comprehend the current economics of supply and demand for maize in India. The sowing

and harvesting seasons have a significant impact on the supply and demand of maize. Maize is supplied from March to May and September to December. Demand spikes normally from January to March.

Feed mills and Poultry farms often hold maize stock for 30 to 60 days, depending on their mill capacities, financial stability, and receivables cycle. Maize starch millers stock maize for 3- 5 months. Purchase of maize usually happens during peak arrival season at low prices for stocking purpose. The inventory is maintained to tide over the peak price months, and buying for regular requirement continues in parallel. Trading companies normally enter into forward trade agreements with consumers (mills, poultry farms) and purchase the grain during peak arrival season. These holding patterns, along with the seasonality of planting and harvesting, have a significant impact on the supply-demand dynamics of maize.

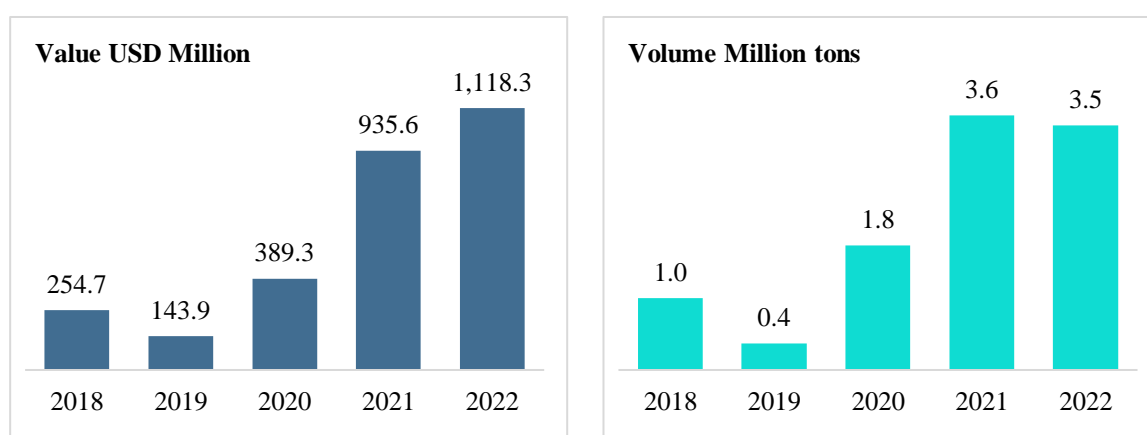
Maize prices are volatile in nature which leaves the manufacturer of Maize Starch with limited pricing power in commodity product like starch powder. Large players with higher capacities such as Gujarat Ambuja, Sukhjit Starch, Roquette and Sanstar have better control over prices. Due to rising consumer demand and limited domestic supply, India is likely to continue importing minor amounts of food grade maize for the food processing industry.

Maize Import, India, 2018 – 2022



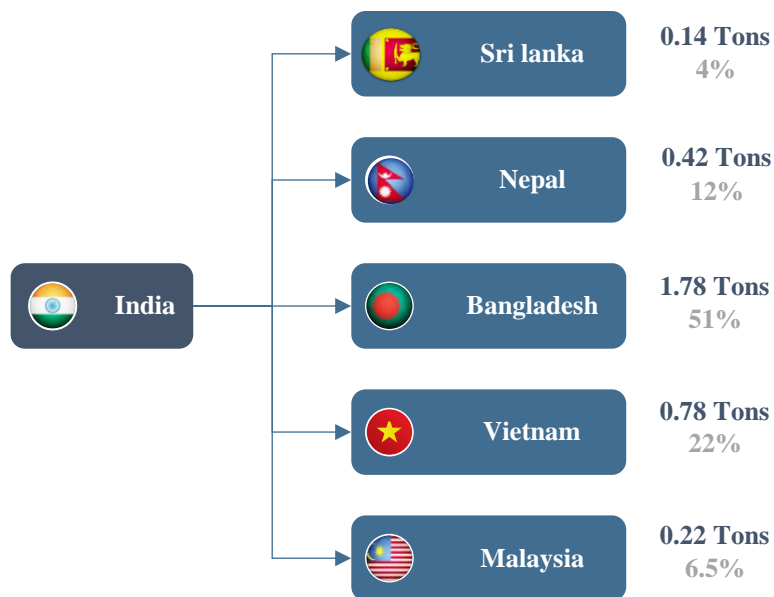
Source: Trademap; Frost & Sullivan

Maize Export, India, 2018 – 2022



Source: Trademap; Frost & Sullivan

India's Export Partners for Maize, 2022



Note: HS code: 1005

Source: Trademap; Frost & Sullivan

Assessment of State-wise Raw Material Availability of Maize Crop and Crop Acreage

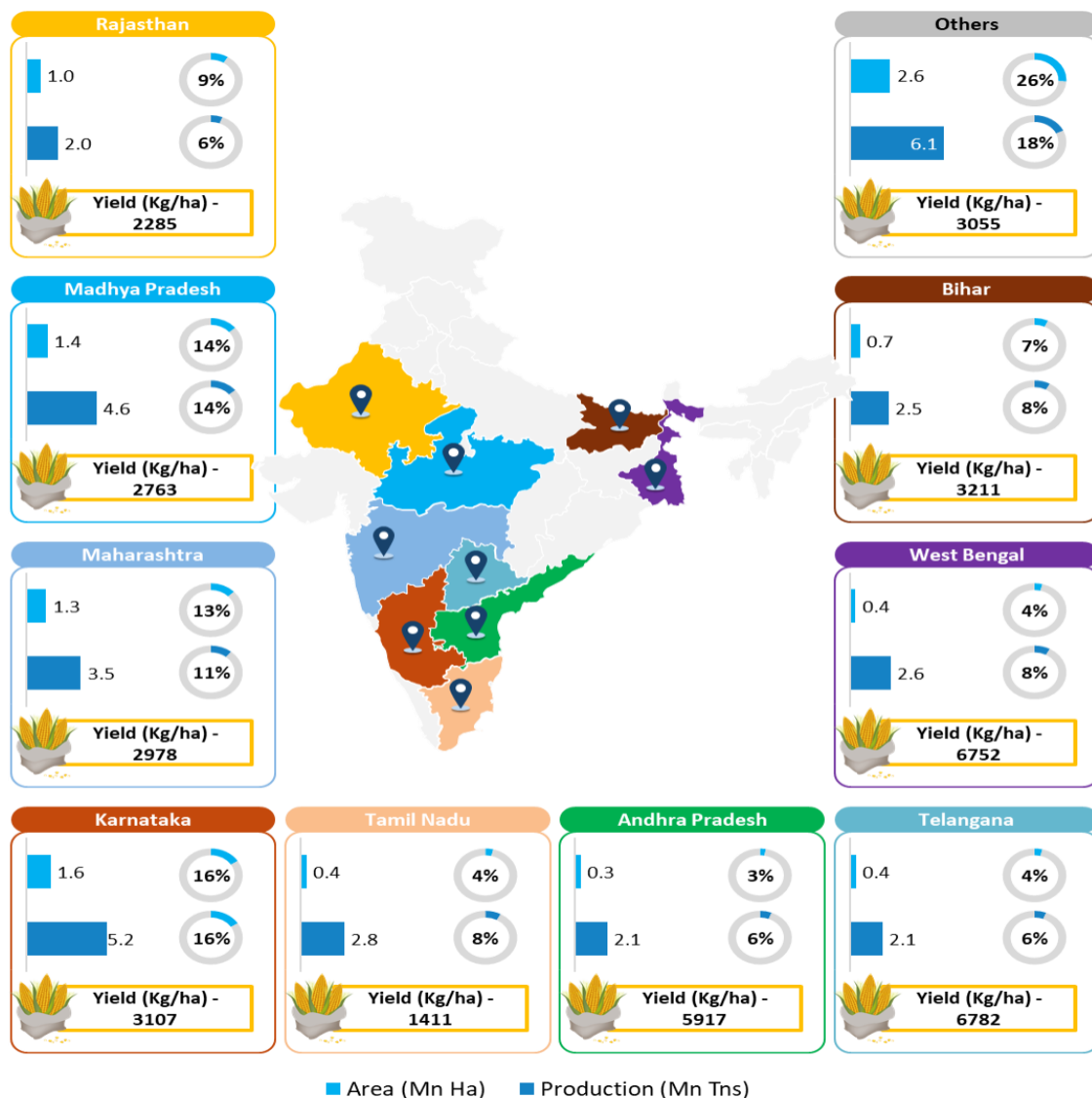
The predominant Maize growing states that contribute more than 80% of the total maize production are Karnataka (16%), Madhya Pradesh (14%), Maharashtra (11%), Tamil Nadu (8%), West Bengal (8%), Bihar (8%), Andhra Pradesh (6%), Telangana (6%) and Rajasthan (6%). Apart from these states maize is also grown in Uttar Pradesh, Jammu & Kashmir and North-Eastern states (Around 26% contribution).

Maize has emerged as important crop in the non-traditional regions i.e., peninsular India. State like Karnataka which ranks 1st in area (1.68 mn ha) and production (5.22 mn tons) has much lower productivity (3.1 tons/ha) compared to states of Telangana (6.82 tons/ha), West Bengal (6.75 tons/ha) and Andhra Pradesh (5.92 tons/ha)

As of 2022-23, Karnataka was the largest producer of Maize in India. Karnataka contributed 16% of the total Maize production in India. The other top 3 maize producing states of India are Madhya Pradesh, Maharashtra, and Tamil Nadu.

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Statewise Maize Production in India, tons, 2022-23



Source: Directorate of Economics & Statistics, Frost & Sullivan

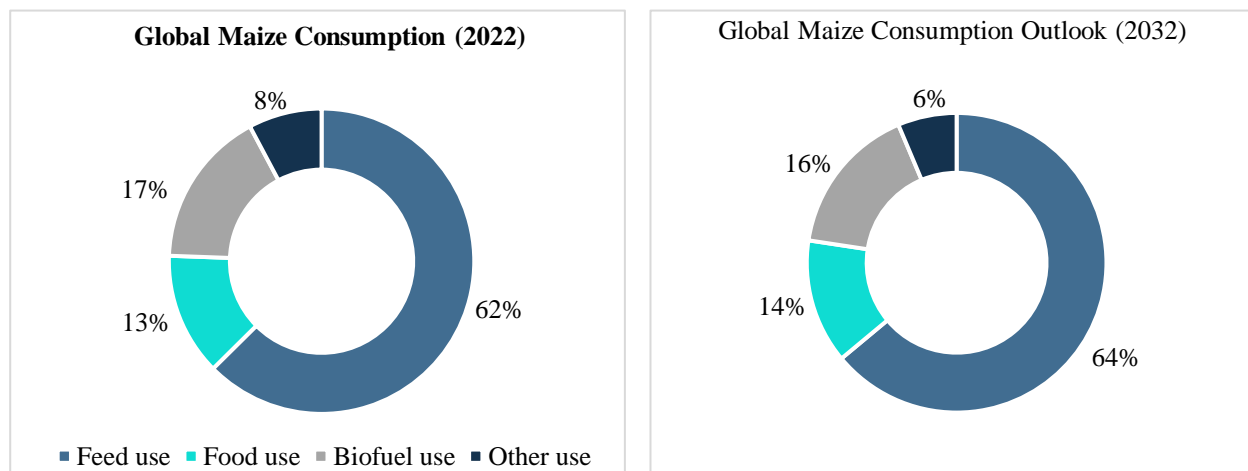
Overview of Maize Consumption Trend in India

Global maize consumption is projected to increase by 1.2% per annum as per OECD-FAO Agriculture outlook compared to 2.3% per annum in the previous decade. This increase is principally driven by higher incomes that translate into higher feed demand, which accounts for the largest share of total utilisation, rising from 57% in the base period to around 59% by 2032. 52% of the increase in feed consumption will be in Asian countries (more than half of this in China) due to fast expanding livestock and poultry sectors. Feed demand globally is expected to rise by 110 MT to 794 MT, mainly in China, the United States, Brazil, Indonesia, Argentina, India, Vietnam, and Egypt. Consumption in Southeast Asia will increase due to its fast-expanding poultry industry. The use of maize as food is expected to increase primarily in Sub-Saharan Africa where population growth is strong. White maize will remain an important staple, accounting for about a quarter of total caloric intake. Growth in maize consumption as food in African countries is expected at about 2.7% p.a. on average.

Globally, maize use for biofuel production is expected to increase at a much slower rate than in the past two decades as national ethanol markets of key producers are constrained by biofuel policies. Brazil and USA together account for more than 80% of the increase.

The global consumption of maize is anticipated to rise to 1.36 Bn MT by 2032, primarily driven by higher per-capita income leading to increased meat consumption and, in turn, higher demand for animal nutrition. The proportion of maize used in animal nutrition is expected to further increase to about 64%, mainly due to rapid expansion of the livestock sector, particularly poultry, in Southeast Asian countries.

Global Maize Consumption Pattern and Future Outlook

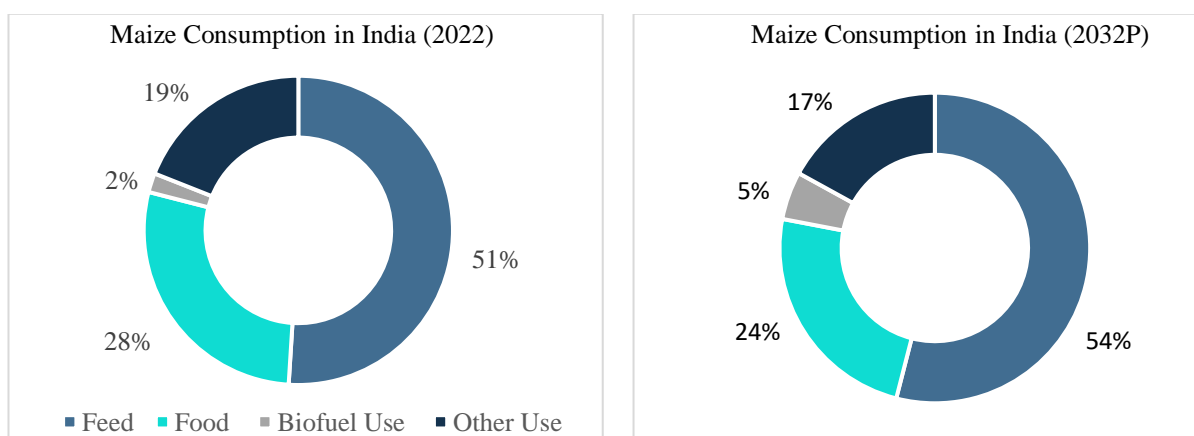


Source: OECD-FAO Agriculture Outlook 2023-2032, Frost & Sullivan Analysis

Maize Consumption Trend in India

Maize consumption in India reached around 30.6 million MT in 2022 and expected to reach around 31.3 million MT by 2023. Feed industry consumed about 51% of the total maize, while food consumption accounted for 29% (refer exhibit 8). Biofuel production using maize is still in its initial stages, with just about 1% of maize currently being utilized for this purpose. Domestic demand from feed manufacturers and the starch industry supports competitive prices. This encouraged farmers to cultivate maize, with plantings rising above 10.1 million hectares in MY 2022/2023. By 2032, the share of maize used in animal nutrition is expected to increase to about 54% by 2032. If the Indian Government continues to implement positive policy changes with respect to ethanol blending, the usage of maize for biofuel production is also expected to increase further. The starch industry’s maize demand is also growing on strong domestic and export demand for textile products.

Maize Consumption Pattern and Future Outlook in India



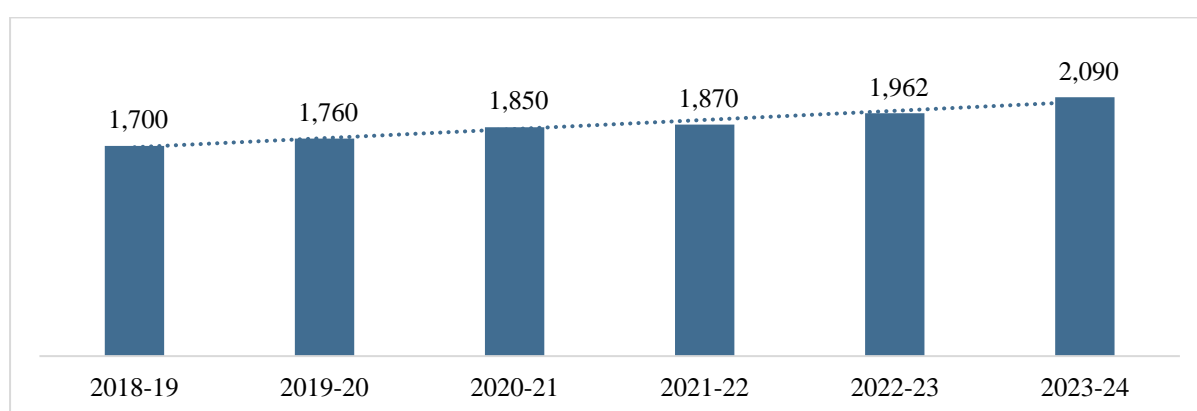
Source: FICCI, YES Bank Report on Transforming India’s Maize Sector – The Critical Role of Technology and Innovations, Frost & Sullivan

Overview of Prices for Maize in India

Maize is the largest crop in the Feed grain segment in India and overall, the third most important staple crop in India. Maize prices have declined below Rs. 2,000 per quintal in commercial markets hovering around or below the minimum support price (MSP) of Rs. 1,962 in key producing states such as Karnataka, Maharashtra, and Madhya Pradesh in view of high moisture in the crop. Production also declined in the key maize growing states of Madhya Pradesh, Karnataka, Uttar Pradesh, Maharashtra, and Telangana due to heavy rainfall in October resulted in damage of the standing crops. As per Industry sources in 2022, arrivals of kharif maize were delayed due to prolonged rainy season and cloudy weather which impacted the harvesting and drying process of maize across the country.

Despite the record MY 2022/2023 harvest, strong domestic and export demand has resulted in steady maize prices. The Union Cabinet has approved increase in MSP for Maize (Kharif) and other Kharif Crops for marketing season 2023-2024 by 6-7%.

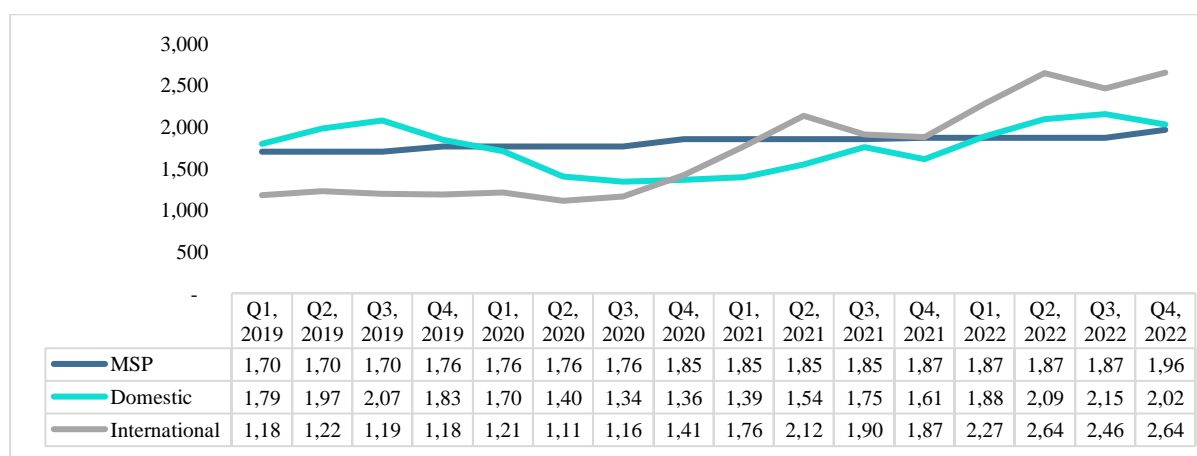
Maize Minimum Support Prices (MSP), India, FY2018 – FY2023 (Rs per quintal)



Source: Farmers portal, Govt. of India; Frost & Sullivan

The exhibit below shows a comparative trend in domestic market prices, MSP and international prices of maize during the period 2018 to 2022. The domestic prices of maize were higher than the international prices till 2020(Q3) except being marginally lower in 2018(except Q1) and 2020 (Q4). This made Indian maize less competitive in the international market. However, since late 2020, both domestic and international maize prices have improved, and international prices have surpassed domestic prices. The domestic prices of maize remained below MSP during the period 2018 to 2021 except in 2019 and have hovered above the MSP since the beginning of 2022 in the backdrop of global spike in maize prices.

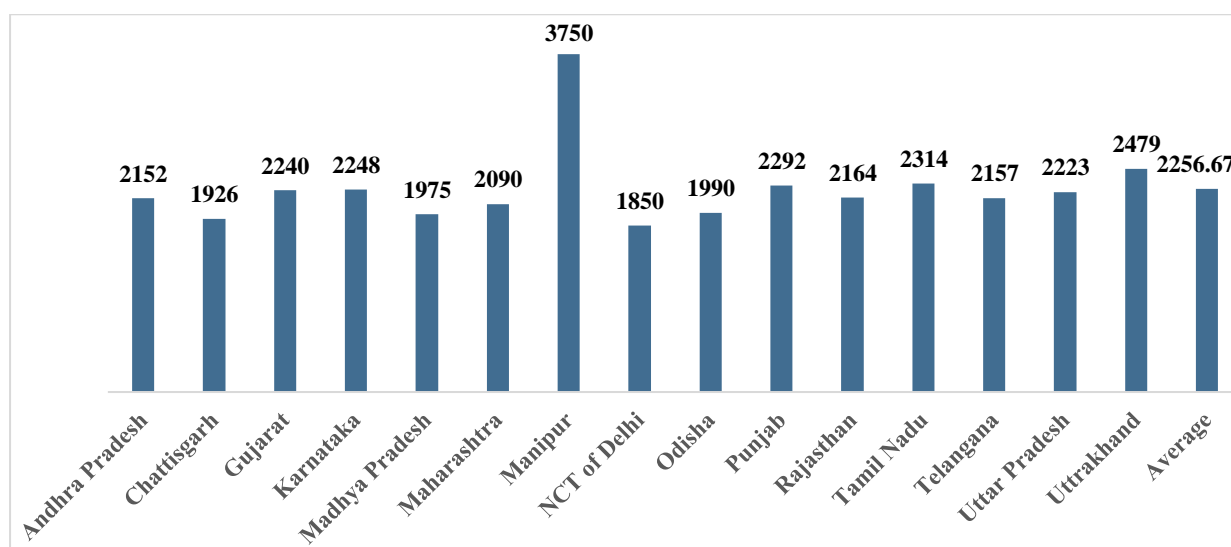
Maize Minimum Support Prices (MSP), India, FY2018 – FY2023 (Rs per quintal)



Source: Commission for Agriculture Cost & Prices (CACP), MoA, Govt. of India; Frost & Sullivan Analysis

In terms of Average wholesale price of Maize in India in 2023 (till October) hovered at around INR 2,404/quintal as against INR 2,153/quintal in September 2022. Prices are expected to remain sideways during the next coming weeks amid subdued demand although supply is limited. Drought/water stressed condition was observed during August month in several States including Karnataka, Madhya Pradesh (MP) and eastern parts of Uttar Pradesh as rainfall deficit continue throughout the month due to which crop in those States are prone to stunted growth like condition.

Wholesale Prices Monthly Analysis for Maize during April 2024



Source: AGMARKNETI, Govt. of India; Frost & Sullivan Analysis

Overview of Usage of Maize in India – End Use Industries

Maize is a staple cereal for human consumption and a quality feed for animals too. In addition, maize, also serves as a basic raw material for manufacture of various industrial products like food sweeteners, starch, pharmaceuticals, cosmetics, textiles etc.

Steady demand from the poultry and aqua feed sector supported maize consumption in 2022 and 2023 for the animal nutrition segment. With recovery from the COVID-19 pandemic, India’s poultry and aquaculture feed industry has grown on account of improving consumer demand for poultry products and exports demand for aqua products, namely shrimp. The starch industry’s demand for maize is also growing on strong domestic and export demand for textile products (modified starch) and demand for native starch driven by the food industry. There is a small but rapidly growing use of low-quality maize, other coarse grains, and spoiled/broken rice and wheat, all estimated at around 2-3 MMT, for potable liquor use for distilling blended whiskies and other spirits. Food use of maize and other coarse grains is lower than the earlier years due to higher supplies of subsidized rice and wheat from the government’s public distribution system and lower harvests of millet, sorghum, and barley.

A) Animal Nutrition

Steady demand from the poultry and aqua feed sector supported maize consumption in 2022-2023. With recovery from the COVID-19 pandemic, India’s poultry and aquaculture feed industry has witnessed growth on account of improved consumer demand for poultry products and export demand for aqua products, particularly shrimp. As per Industry sources, commercial feed accounts for 55-60 percent of the total animal nutrition market.

The commercial feed industry which is the end use industry for maize caters to the poultry (74-75 percent), aquaculture (14-15 percent), and dairy cattle (10-12 percent) feed sectors. The major growth drivers for usage of maize for Animal nutrition in India can be attributed to

- **High Nutritional Value:** Maize holds significant importance in animal nutrition due to its exceptional nutritional value. It serves as an excellent source of energy, due to its high starch content thus readily digested by animals. Maize feed consists of crucial amino acids playing a vital role in the growth and development of animals. Furthermore, it offers essential nutrients such as phosphorus, potassium, vitamins etc. thereby enhancing the overall nutrition profile of maize.
 - **Usage for different varieties of feed and fodder:** Maize provide different options for animal nutrition manufacturers to create customised feed mixes that can be aligned to the livestock specific nutritional requirements. While the maize kernel can undergo different processing methods including grinding into powder or flakes, pellets or fermented products. Maize straw is used as animal fodder since the ancient times. However, the fodder quality of green maize is far excellent. Amongst the non-legume fodder crops, maize is the only fodder which produces better nutritional quality along with good quantity of biomass.
 - **Cost Effective Feed:** Maize provides cost-effectiveness for animal nutrition manufacturers. As a producer of maize, India plays a crucial role in its global supply. The abundant availability of maize coupled with its relatively stable prices contributes to reducing overall production costs.
- B) Food Use:** Maize for human consumption (6-7 MMT) represents a small share of the production compared to that for feed use. The other coarse grains – sorghum, millet, and barley – see a larger share of production go to food use. These grains were the staple diet for rural and lower income semi-urban households.
- C) Industrial Use:** Some 3.5 to 4 MMT of maize is used by the starch industry to cater to the textile industry’s needs. India’s domestic ethanol program uses molasses (a sugar industry by-product) as feedstock for ethanol production for fuel use. However, small quantities of ethanol are produced from rice milling industry waste (broken rice), and low-quality rice, wheat, maize, and coarse grains for potable liquor and other industrial uses. Small quantities of Distillers Dried Grains with Solubles (DDGS) (300,000 MMT to 500,000 MMT) from these ethanol plants are used by the animal nutrition industry. The government has announced schemes to the private sector for setting up grain-based ethanol plants by offering subsidized ‘excess’ rice from government stock, and price incentives over molasses-based ethanol by the government parastatal fuel marketing companies. Some of these plants have come into operation in 2023, but industry sources are not sure about the supplies of subsidized rice to these units.

Key Trends and Growth Drivers for End use Industries for Maize Consumption

There are multiple drivers of maize demand in India presently. Some of the key drivers include:

- **Growing Demand from Poultry and Aquafeed sector, contributing to more than half of the domestic production:** Steady demand from the poultry and aqua feed sector supported maize consumption in 2022-2023. With recovery from the COVID-19 pandemic, India’s poultry and aquaculture feed industry has witnessed growth on account of improved consumer demand for poultry products and export demand for aqua products, particularly shrimp.
- **Growing urbanization, leading to increased demand for Processed Food Products like Maize flakes, Bakery products:** The demand for maize/maize-based flour in the processed food segment has witnessed an upward trend on account of increasing demand for convenient and easy-to-prepare food products. Maize flour is used in a wide range of food products, including baked goods, snacks, breakfast cereals etc. In addition, the growth is further influenced by factors such as population growth, changing dietary preferences, and economic conditions. However, factors such as fluctuations in raw material prices and the availability of substitutes may hinder market growth.
- **Growing Organised Dairy sector, requiring more of Fine Cereals or Maize-based concentrates:** The dairy sector in India, largely backyard & small-scale operations (2-3 animals), consumes limited amounts of compound feed and depends on home-made feed mixes - oil cakes, household food waste,

spoiled/broken wheat and rice, and other cheap grain mixes – to feed to lactating cows/buffaloes while in milk. There is a growing trend among dairy farmers to replace low-yielding local dairy cattle breeds with higher-yielding crossbred cows and buffaloes, which require higher-energy feeds including maize based feed concentrates, driving a 10- 12 percent per annum growth in demand for commercial dairy feed in recent years.

- **Rising International Price due to Diversion of Maize Grain towards Biofuel Production:**

While globally maize is the primary feed-stock for ethanol production, it is used in India mostly for animal nutrition and industrial use. As per Govt. estimates, India's maize output needs to be increased to 44-45 million tonnes in the next five years amid growing demand for the grain for ethanol production and poultry industry. The Government is aiming to increase maize production to achieve and sustain the target of 20% ethanol blending in auto fuels by FY25, given the limited scope for expanding sugar and grain areas. This is expected to be achieved through developing high yielding varieties which has higher recovery for ethanol in collaboration with IIMR and other research institutions. Distilleries would be working with the farmers for assured procurement of maize in the line with the sugar sector.

Maize Starch & Maize Based Specialty Products And Ingredient Solutions Market Overview

Introduction to Maize starch and its application

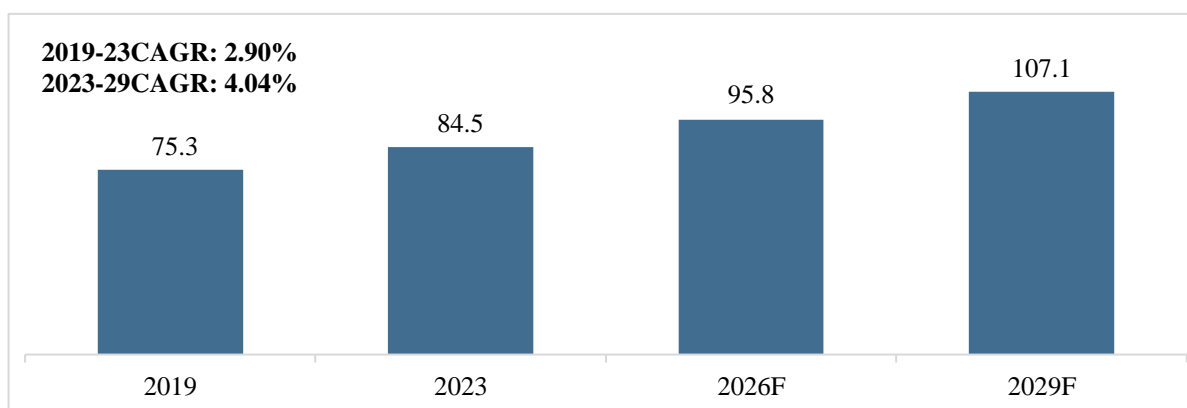
Maize Starch is plant-based ingredient derived from wet milling process of maize. Plants store the most abundant and edible carbohydrate, starch in form of α -D glucan polymer. It is one of the most significant polymers and is widely used in both food and non-food products. Natural sources of starch are cereal grain seeds, tubers, roots, and legume fruits, leaves, and seeds. The main sources of commercially derived starch are tapioca, wheat, potatoes, rice, and maize. Maize has been widely used for manufacturing starch globally and would account to ~70% of raw material used.

The process of starch manufacturing involves grinding maize crop which is high in starch and then using wet separation techniques. Because starch can be modified chemically or physically, it is regarded as a versatile ingredient. Unmodified or native starch, modified starch (dextrin, pre-gelatinized starch, oxidized starches, etc.), and derivatives (high fructose Maize syrup, glucose, etc.) are the three primary categories of starch-based goods.

The Global Maize Starch market is anticipated to rise at a considerable rate during the forecast period with a CAGR of ~4.25% between 2023 and 2029. In 2023, the market was valued at USD 45,195 Mn in value terms and was around 84.5 Mn MT in volume terms. Maize starch is a carbohydrate extracted from the endosperm of Maize. Maize starch is the most commercially used starch in various industries. Food and Beverage, Pharmaceutical, Adhesive, Paper, Textile are some of the major industries using maize based specialty products and ingredients solutions.

The growing demand for convenience food in recent years has necessitated the increased use of maize based specialty products and ingredients solutions. Starches are increasingly utilized as a food additive in various applications such as thickening of sauces, viscosity-control agent to the binding of baking ingredients, moldings of gums, etc. Additionally, the functional superiority of modified starches has rapidly expanded its application spectrum across the diverse range of applications. Maize is the major raw material in the production of maize based specialty products and ingredients solutions and Maize starch accounts for a significant share in the starch market compared to the starch derived from other raw materials such as rice, potato, cassava, and others. Such functional properties of starch is contributing to the growth of the market.

Global Maize Starch Market, Mn Tons, 2019-2029F



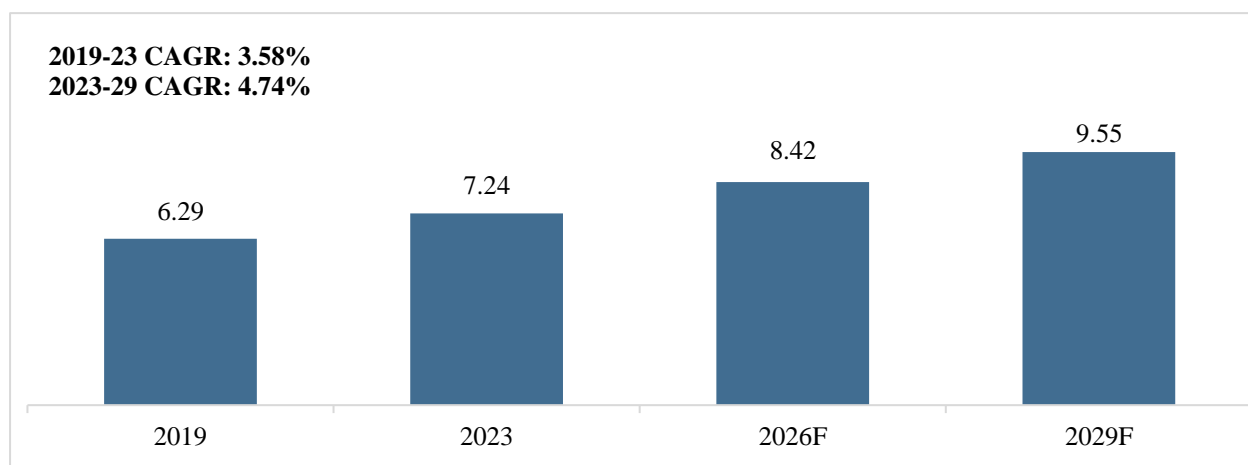
Source: Frost & Sullivan Primary Research & Analysis

In India, Maize has a great potential in processing due to its high nutritive value and commercial uses. Maize is common name for a cereal grass widely grown for food and livestock fodder. Maize starch, is a carbohydrate extracted from the endosperm of Maize. Of the total Maize produced in India, nearly one-third of production is for human consumption with ~10-15% used for starch production. Nearly 50-55% is consumed for feed (animal & poultry) production.

This white powdery substance- Starch, is used for many culinary, household, and industrial purposes. India is among the top 10 maize producing countries in the world. Karnataka, Andhra Pradesh and Maharashtra together account for nearly half of India's production of Maize. India exports as well as imports Maize Starch. Import figures are very small compared to exports, thus depicting India's ability to meet the domestic demand.

The Indian Maize Starch market is anticipated to rise at a considerable rate during the forecast period with a CAGR of ~5.12% between 2023 and 2029. In 2023, the market was valued at USD 3,121 Mn in value terms and was around 7.27 Mn MT in volume terms.

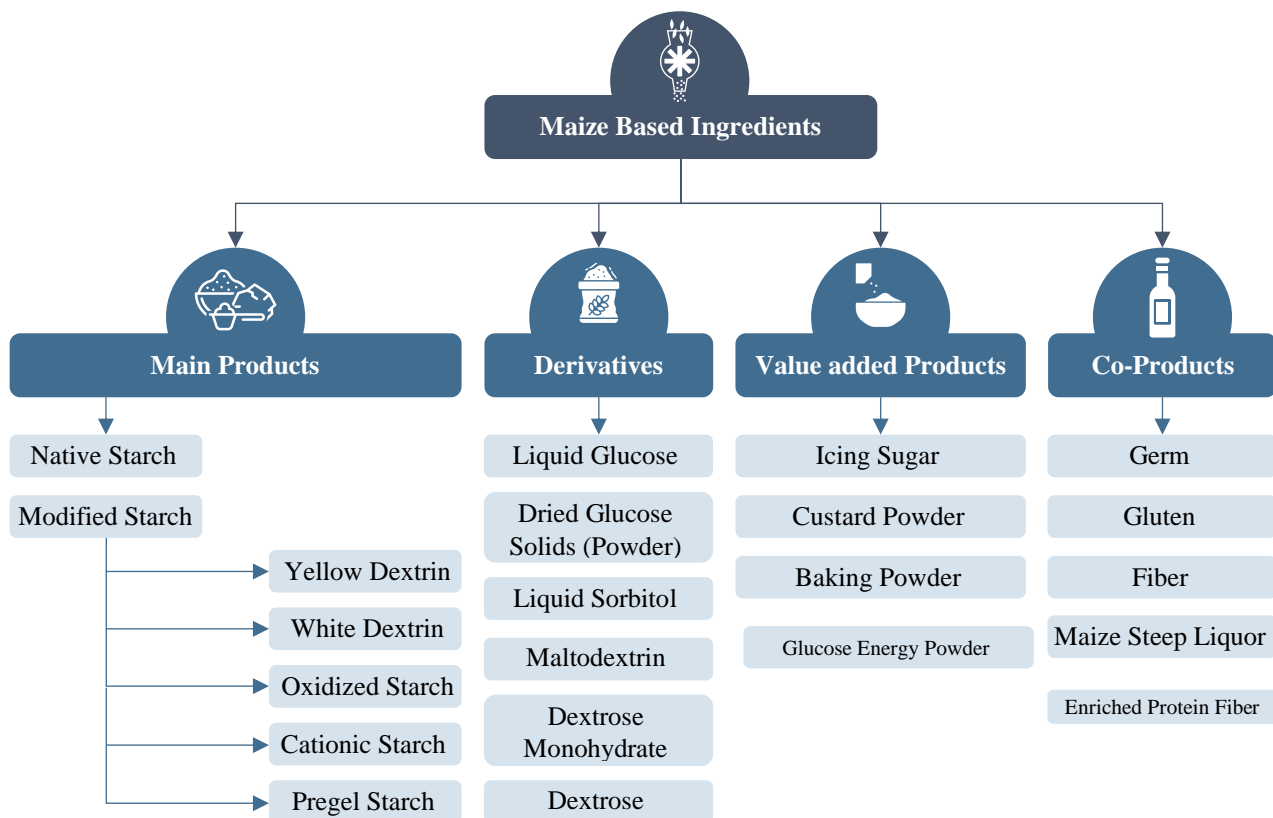
India Maize Starch Market, Mn Tons, 2019-2029F



Source: Frost & Sullivan Primary Research & Analysis

Based on product type, the India Maize starch market is segmented into native, and modified. Amongst both, Native Maize Starch accounts for a higher share ~ 60.8% of the total market in value terms.

Maize based speciality products and ingredient solutions



Definitions and Application of products: -

1. Native Starch

Native starch is powder obtained from starchy part of maize which has application in many industries.

Application - Custard, desserts, sauces, instant foods, tablets, baked foods, confectioneries, pastas, soups and mayonnaise.

2. Modified Starch

Modified starch are prepared by physically, enzymatically, or chemically treating native starch to change its properties.

Application- Thickening agent, stabilizer, or emulsifier; in pharmaceuticals as a disintegrant; or as binder in coated paper

3. Yellow Dextrin

Yellow Dextrin is water-soluble which is produced using less acid & high temperatures for a long time-period. The Yellow Dextrin is used to produce high solids pastes (40-60%). These dry rapidly when applied to thin films.

Application- Binder in adhesive applications, extenders in dyes and as a binder in abrasive industry, adhesive for envelopes, corrugation, gummed labels, and tapes along with others.

4. White Dextrin

This dextrin is water-soluble, optically active solution of low viscosity which is white in colour

Application- Textile finishing, coating- thickening-binding agent in pharmaceuticals & paper coatings, stabilizing agent for certain explosive metal azides.

5. Oxidized Starch

Oxidized starch has a good range of viscosity and fluidity to suit the requirement of different applications. It is used mainly in paper processing for surface sizing.

Application- Coating applications, fabric and textile industry for yarn smoothing and flatterer.

6. Cationic Starch

Cationic starch is a modified starch mainly used as wet-end starch. Cationic starches are two types; quaternary ammonium type cationic starch and tertiary amino type cationic starch.

Application- Wet end additives in paper making.

7. Pregel Starch

Pregelatinized starch is soluble in cold water as it easily takes up the water and swells at room temperature. It forms paste when mixed with cold water.

Application- Used in cream fillings, canned, sauces, soup mixes, gravies, tomato ketchup, pasty creams, dairy desserts and other food product industries.

8. Liquid Glucose

Liquid glucose is a clear, viscous, colourless solution. The functional properties of liquid glucose include viscosity, humectancy, high fermentability, colligative properties, along with imparting sweetness.

Application- Used in confectionary, candies, syrups, pharmaceutical excipients, bakery, ready to eat sweets

9. Dried Glucose Solids

Dried Glucose Solids is in uniform powdered format with high bulk density, equivalent to sucrose, yet with lower sugar content.

Application- Used as sweetener and bodying agent in confectionary products, jams, jellies, preserves, syrup and toppings.

10. Liquid Sorbitol

Sorbitol is a polyol or sugar alcohol. It is a bulk sweetener with excellent humectant and texturizing agent. Sorbitol is about 60% as sweet as sucrose offering one-third fewer calories.

Application- Processed foods, Toothpaste, Pharmaceuticals, Cosmetics, Bakery, Confectionery, and Seafood (cryoprotectant qualities).

11. Maltodextrin

Maltodextrin is a polysaccharide with major application as a thickener and a food additive. Partial hydrolysis is used to produce it from starch. Maltodextrin occurs as a white hygroscopic spray-dried powder.

Application- Food additive, anti-caking agent, bulking agent, and food flavor carrier. Used in artificial sweeteners.

12. Liquid Dextrose

Liquid Dextrose is crystallized or liquid forms of D-glucose made by full hydrolysis of starch used as sources of carbohydrates or as soluble carrier for Bio-Industry & Fermentation and Plant Care.

Application -Bio-Industry & Fermentation- Processing Aids, Plant Care - Fertilizers, Nutrients

13. Dextrose Monohydrate

Dextrose Monohydrate is the Monohydrate form of D-glucose which is a natural Monosaccharide and Carbohydrate. Dextrose Monohydrate has a sweet taste and is used as a sweetener and texturizing agent. It is also used as a fermentation substrate.

Application- Nutritional supplement, confectioneries, jams, jellies; bakery such as cakes, biscuits, cookies; beverages, supplement in the pharmaceutical industry. Also used in Animal Nutrition/Poultry feed.

14. Dextrose Anhydrous

Dextrose Anhydrous is also known as “Maize Sugar Anhydrous” or “Anhydrous Dextrose” or “Anhydrous Sugar”. It is purified and crystallized D-glucose with the total solids content not less than 98.0% m/m. It is a colourless, odourless white powder with less sweetness than cane sugar.

Application- Nutritional supplement and sweetener in baked goods, candy, and gum, jarred and canned foods, creams and frozen dairy products (like some ice-creams and frozen yogurts), and cured meats.

15. Icing Sugar

Icing sugar is also known as powdered sugar or confectioner’s sugar. It is made by grinding granulated sugar into a very fine powder and produced industrially using a small amount of anticaking agent, such as maize- starch or tricalcium phosphate (E341). These are added to absorb moisture and support the free flowing of the powder by preventing sticking together in clumps.

Application-Icing sugar is used in the preparation of bakery and confectionery products such as cakes, chocolates, fudge among other desserts. It is also used in frostings and coatings as it does not produce a grainy texture.

16. Custard Powder

Custard is composed of a mixture of maize starch, milk and eggs which is thickened by heat. Maize-starch is the commonly used thickener which makes up the bulk of custard powder. Maize-starch is effective at thickening liquids; it dissolves quickly and hence is majorly used in custard powder. Vanilla is the flavoring which is generally used in custard powder in a very subtle amount.

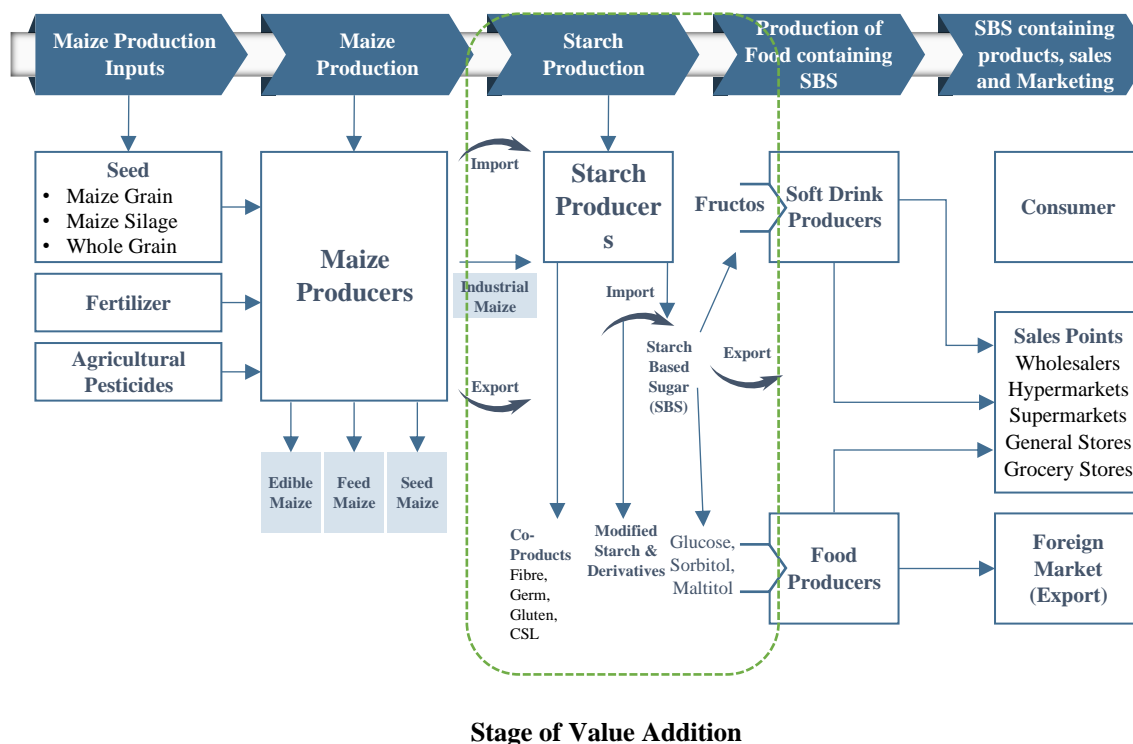
Application- Cakes, puddings, ice-creams, sweet pies among other desserts. It finds major application in making cookies and instant puddings.

17. Baking Powder

Baking powder is a white solid composed typically of three components, including an acid, a base, and a filler. These materials have a significant impact on the taste and texture of the finished product.

Application-Baking Powder is used in various industrial applications including baking and cooking, metal polishing, water treatment, meat curing, personal care products and pharmaceuticals.

Value Chain of Maize Based Specialty Products And Ingredients Solutions Industry in India



Source: NISAD, Frost & Sullivan

Key material used for fuel and other consumables used in Maize processing industry-

Maize based speciality products and ingredient solution manufacturers use coal as primary source of fuel. Odisha, Jharkhand, Chhattisgarh, West Bengal are some of the prominent sources of coal in India. India also imports coal from countries like Indonesia and Vietnam which are high grade coals. Maize industry mostly uses domestic coal which is priced between Rs 4 – 7/ kg. This coal is normally low in calorific value. High Calorific value coals are priced from Rs 8/ kg and above.

Use of husk as fuel in maize milling plants has increased in last decade owing to government's efforts for controlling air pollution by trying to stop burning of husk. Maize based speciality products and ingredient solutions manufacturers purchase rice husk with a moisture content of 13–15% from millers or traders. After being reduced in size, husk can be used to make briquettes and pellets. Industries are turning to renewable energy sources, and since husk is both economical and environmentally beneficial, its use as fuel has been increasing.

Assessment of geographical location plants for Maize starch in India

Maize based speciality products and ingredient solutions manufacturing plants are located across India, with large numbers of plants located in Gujarat, Maharashtra and Karnataka owing to huge maize production by these states. In recent years, a number of plants have been commissioned in West Bengal, Bihar, UP for ease of export access to neighbouring countries.

Locations of Maize based Ingredients Plants in India



Source: Company websites, Frost & Sullivan

End Use Industries Growth Rate

Sr No	End Use industry	Global, 2023-2027 Growth rate, %	India, 2023-2027 Growth rate, %
1	Animal Nutrition	7.32%	8.21%
2	Snacks	6.34%	9.01%
3	Confectionary	5.88%	8.86%
4	Convenience Foods (RTE, Soups)	6.76%	9.89%
5	Sauces & Spices	6.48%	8.51%
6	Spreads	6.57%	6.87%
7	Pharma	5.87%	6.89%
8	Paper	3.2%	4.1%
9	Apparel (Textile)	2.76%	3.58%

*RTE- Ready to Eat

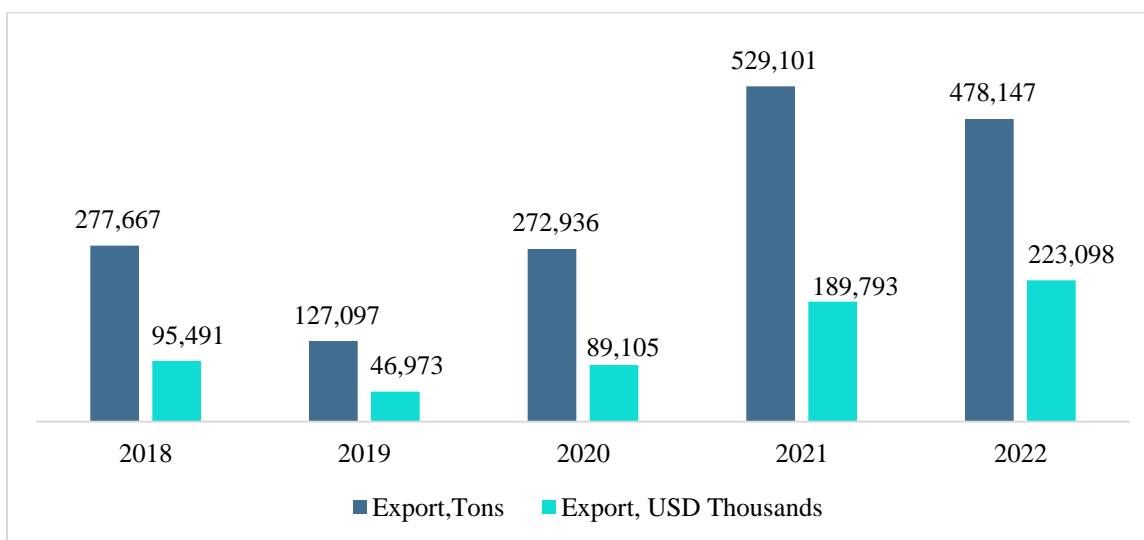
Source: Statista, Frost & Sullivan Analysis

The increasing demand of maize based ingredient in food and beverage, pharma and animal nutrition, adhesive, paper, textile, etc from developing economies like India is likely to increase the consumption of these ingredient.

Overview of Maize starch exports and imports in Indian market (HS code: 11081200)

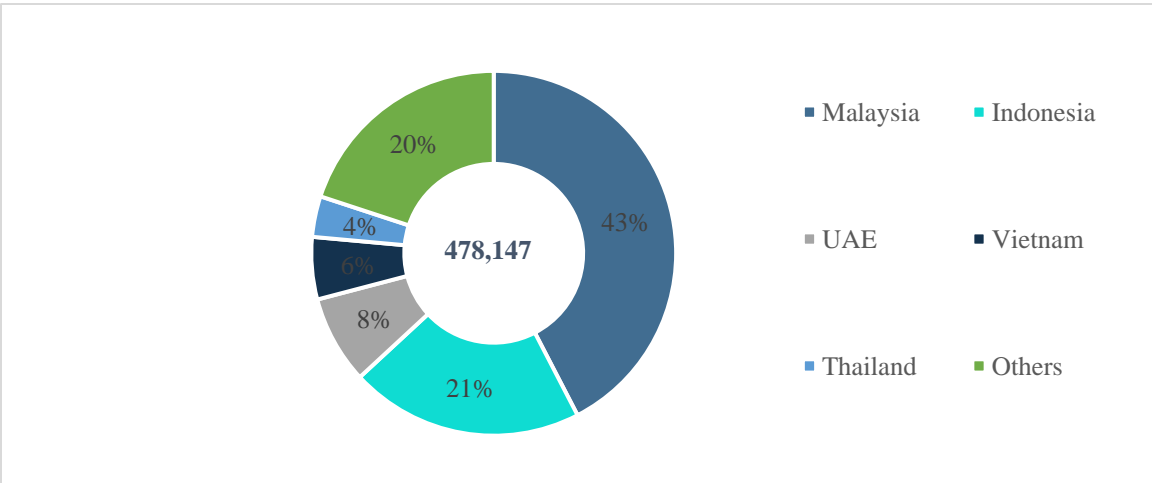
India has always been a net exporter of Maize starch. Globally, India is the largest exporter of maize starch with ~20% of share in 2022. South-East Asian countries are the major importers of maize starch from India.

Maize Starch Export by India, 2018-2022



Source: Trademap, Frost & Sullivan

Maize Starch Export by India, Tons, 2022



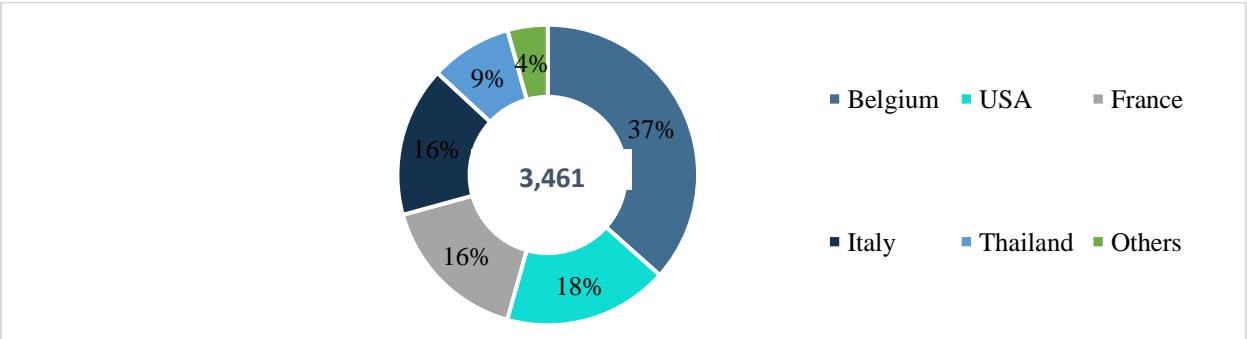
Source: Trademap, Frost & Sullivan

Maize Starch Import by India, 2018-2022



Source: Trademap, Frost & Sullivan

Maize Starch Import by India, Tons, 2022



Source: Trademap, Frost & Sullivan

Growth drivers for maize based specialty products and ingredients solutions industry in India

- **Abundant availability of Raw Material** – India is major producer of maize globally. It ranked 6th in the world's maize production and 4th in terms of maize acreage. Across 205.87 Mn Ha, 1.21 billion MT of maize was produced worldwide. Maize is 3rd most grown cereal after paddy and wheat in India. Rising demand of maize for Ethanol production will also push Indian farmer to increase the productivity in coming years. Thus, abundance in maize availability is allowing many wet millers to increase the plant capacities.
- **Wide range of applications** – Starch has multiple uses across industries. Food industry is largest consumer of maize based specialty products and ingredients solutions. Starch is used in making of western snacks, pudding, salad dressings, noodles, pasta, gravies, and sauces. Sweetener such as liquid glucose is major ingredient in confectionary, candies, gums, cakes, pastries, and other sweet items. Paper industry is one of the key industries where industrial starches is used in large quantities. Cardboard paper uses significant quantities of modified starches, actively and in processing. Starch is also used for manufacturing adhesives. Native and modified starch is used in pharma industry as a tablet and capsule diluent, an excipient, a tablet and capsule disintegrant, as binder or as a glidant. Thus, demand for maize based specialty products and ingredients solutions have diversified applications boosting its demand.
- **Increasing demand for ready to eat category** – With the changed lifestyles, ready to eat/cook foods are gaining popularity. Baby food, chips, baked goods, drinks, candies, sauces, soups, noodles, pasta and ready to eat snacks are some sectors where consumption of starch is increasing. Crispiness, bulkiness/carriers, texturization, humectant, dusting, extrusion, and thickening agent are among some of the functional uses of Maize starch which are essential in ready to eat/cook category. The demand for starch is anticipated to increase in the future, except for textiles, as it is seen as a cost-efficient element with no effective replacements anticipated.
- **Global opportunities** – India is the largest exporter of Maize starch globally. It exported ~478 KT of Maize starch in 2022 which accounted for 20% of global trade. Export volumes have increased by 15% since 2018- 2022. India is also amongst the Top 10 global exporter of sweetener like liquid glucose. With local raw material availability, abled processing sector and good quality at lower cost with further increase the demand of Indian maize based specialty products and ingredients solutions globally.

Challenges for maize based specialty products and ingredients solutions product in India

- **Rising Prices** - Extreme weather and droughts associated with climate change in EU, Americas have adversely impacted maize crops. Because of the limited supplies prices of maize and thereby maize starch have increased drastically in couple of years. Further limiting the availability of maize, for industrial uses is the growing amount of maize that is allocated to the manufacturing of ethanol due to environmental and regulatory concerns.
- **Substitutes** - Maize starch though seldomly replicable, researchers and innovators are trying to replace it with starches from other crops such as rice, tapioca, and arrowroot.
- **Intense Competition** - A decade ago, there were few global players having hold over maize based specialty products and ingredients solutions markets. But in recent decade, many small players have started manufacturing maize based specialty products and ingredients solutions This has led to pricing pressures in global markets with some unorganised players compromising on quality.

Entry and Exit Barriers for Maize Starch Industry in India

Entry Barriers-

- **Capital Costs-** Capital cost for maize based speciality products and ingredient solutions manufacturers are high as it requires elevators, destoners, blowers, tanks, dryers, and many more machineries which requires huge investment by new entrants. Land acquisition could also be a hurdle.
- **Competition-** With presence of giants such as GAEL, Sukhjit Starch, Sanstar Ltd, etc who have well established domestic and exports markets, new entrant will have to face severe competition.
- **B2B nature of business-** Consumers of maize based speciality products and ingredients solutions are the well-established companies in F&B, Pharma, Textile, Paper industry where relations are built over time and it would take new entrant to break through existing client- supplier relations in market.
- **Economies of Scale-** Viable capacities for maize starch milling industry is 500-600 MTD and anything below that would be loss making operation. New entrants must strive for lower production per unit costs to achieve economies of scale.
- **Availability of Raw material-** Maize though widely grown in country, is less available for milling as it has its traditional uses for animal nutrition industry with emerging demand from ethanol producers. New entrant may find it difficult to secure stocks of good quality maize for right price.

Exit Barriers-

- **Investment in specialist equipment** – Investment in specialised equipment makes it difficult to use it in other industries is typically a barrier to exiting the industry.
- **High fixed costs-** High levels of dedicated fixed costs tend to be an impediment to leaving an industry.

Exit Barriers for Clients

Business to Business (B2B) nature of the maize based speciality products and ingredient solutions business creates significant exit barriers for their customers as well. Maize based speciality products and ingredient solutions find application across diverse end industries globally, including food, pharmaceuticals, animal nutrition, etc. which are subject to stringent rules and regulations across geographies. This leads to customers performing rigorous quality checks and tests on our products right from the sample sharing stage to the commercial production stage, which involve time and resources on the part of customers. Given this, the customers generally do not prefer to change the suppliers frequently and results into the propensity amongst the customers to continue with the same set of suppliers.

Maize Based Speciality Products & Ingredient Solutions Market Summary – Global

Particulars	2023		2022		2021	
	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)
Starches	84.49	45,195.00	81.45	43,140.15	78.7	41,532.52
Derivatives	14.69	7,674.10	14.07	7,339.81	13.57	7,067.17
Co-Products	26.29	7,634.40	26.05	7,339.20	25.32	7,115.83
Value Added Products	14.86	9,096.37	13.91	8,491.81	13.27	8,086.69

Source: Frost & Sullivan Analysis

Maize Based Speciality Products & Ingredient Solutions Market Summary – India

Particulars	2023	2022	2021
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	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)	(Millions in Tons)	(\$ in million)
Starches	7.27	3,121.00	6.93	2,979.95	6.69	2,869.09
Derivatives	1.21	626.08	1.15	598.09	1.11	576.02
Co-Products	1.26	549.02	1.22	530.43	1.18	510.70
Value Added Products	1.07	702.02	1	655.23	0.95	623.62

Source: Frost & Sullivan Analysis

Players present in the maize based specialty products and ingredients solutions market in India and their product offerings.

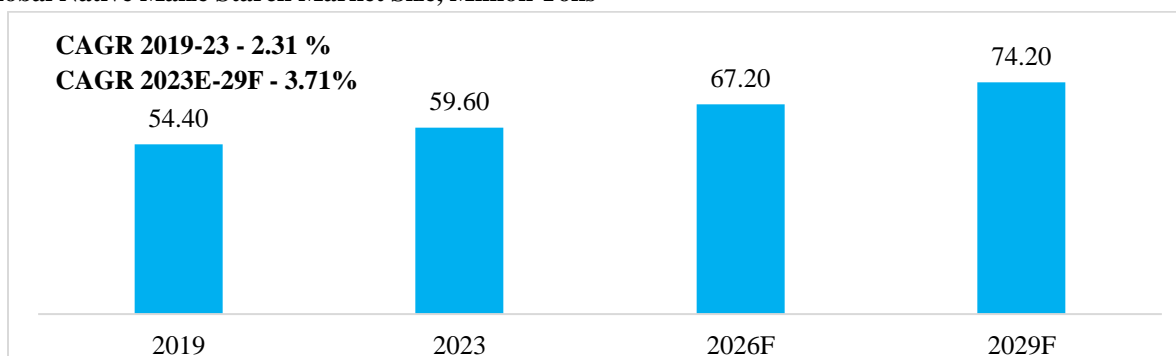
Maize based speciality products and ingredient solutions is well established industry in India with long history and is based on ongoing innovation to satisfy changing consumer and industrial demands. There are a lot of participants in both the organised and unorganised sectors in this fiercely competitive maize starch market. In the categories with additional value, such as derivatives and starch, there are medium sized to large firms. Specialized companies offer some niche type of starches used or oil drilling, adhesives and so on. It's a profitable industry with moderate to high capital and technology investment. Some of the major companies in Indian maize based specialty products and ingredients solutions sector are Gujarat Ambuja Products Ltd, Cargill, Roquette, Sanstar, Sukhjit Starch Products and so on.

Global and Indian Maize Native Starch and Co-Products Industry

Global Native Maize Starch Market

The Global Native Maize Starch industry is expected to be valued at USD 29,631 million in 2023 with estimated growth rate of CAGR of 3.78 % from 2023 -2029. Historically, the native maize starch market grew at CAGR of 2.78% from 2019 till 2023. Increasing demand from Food & Beverages, Textiles, Paper industries clubbed with governments focus to increase productivity of maize is driving the growth the native maize starch market. Use of native maize starch in cosmetics, adhesives and pharmaceutical industry is further fuelling the growth of market. In terms of volume, the native maize starch market is expected to be valued at 59.6 million tons in 2023 having grown at CAGR 2.31% from 2019. The market is expected to reach 74.2 million tons by 2029 with CAGR of 3.71%.

Global Native Maize Starch Market Size, Million Tons



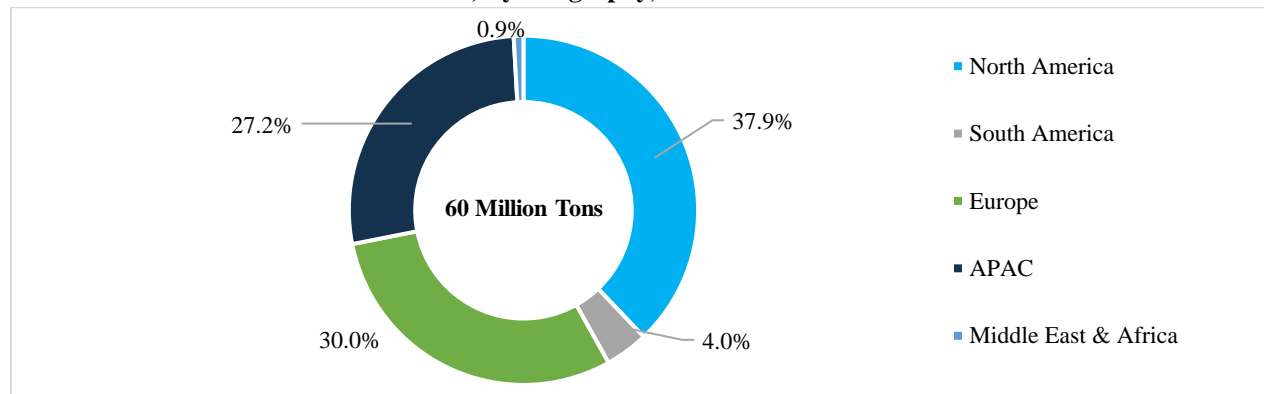
Source: Industry sources, Frost & Sullivan

Native Maize Starch is available in forms like flakes, pearls, coarse or fine powders and larger particles but the powder form is majorly used across globe. Native Maize starches have certain inherent features for use in the development of foods, pharmaceuticals, and industrial products. Specially food industry prefers starch in powder form to be used for

pasta, noodles, sauces, salad dressings, ready to eat sausages and so on. Among other advantages, they are readily available, generally low in price, and yield a simple, consumer-friendly label when listed in an ingredient panel.

Geography-wise Breakup of the Global Native Maize Starch Industry

Global Native Maize Starch Market Size, By Geography, 2023



Source: Industry sources, Frost & Sullivan

Application wise breakup of the Global Native Maize Starch

Native maize starch has largest application in food & beverage industry which accounted for ~70.1% in 2023 with volumes ~ 42.3 million tons. Native maize starch is used as a texture enhancer, thickener, binder, and emulsifier. It thickens soups, gravies, and sauces. It improves the texture of food and beverage products. It usually creates a translucent combination when combined with a cold liquid to generate a slurry, which is then thickened with a hot liquid.

It is also free of gluten, has no fats, proteins, or fibre. It is therefore frequently used in the production of gluten-free baked goods like pasta, bread, and confectionaries. Native maize starch is commonly used in desserts, baby powder, salad dressings, soups, canned and frozen goods, food coating, baking powder, chewing gum, etc.

Native maize starch is used in the paper and textile industries to help in wet end sizing, dry strength, and surface enhancement. This powder strengthens the yarn's resistance to weaving-related stress and aids in maintaining its straightness in the textile manufacturing process.

Global Manufacturers of Maize Starch

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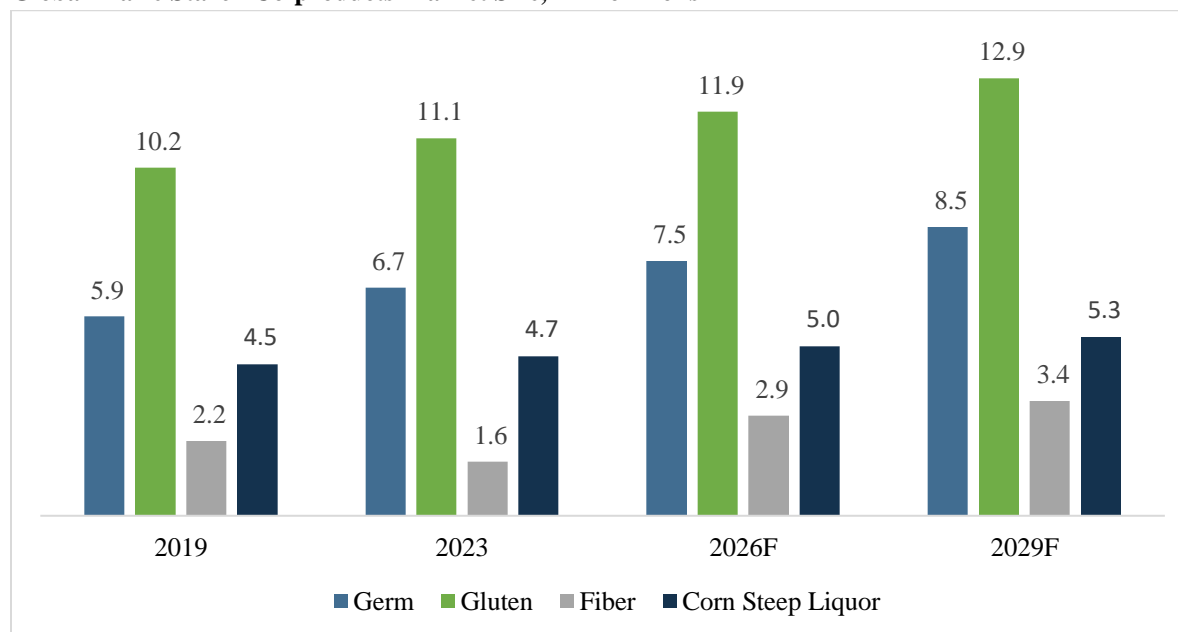
Global Co- products Market

Residual products such as Germ, Gluten, Fiber, and Maize steep liquor which remain after separating the maize starch slurry during maize wet milling process are categorized as co- products. The current market for Co- products stands at USD 6,955.3 million and is expected to reach USD 8,550.1 million by 2029.

Maize Germ market is valued at USD 1,979.3 million in 2023. It is mostly used in production of feed supplements and the extraction of maize oil. Maize germ also provides as an excellent source of "slow release" starch is high in calories, very palatable and can be easily digested by cattle and poultry.

Maize gluten is high fibre component with significant amounts of nutritious proteins and starch. It is added to animal nutrition as a supplement to provide them with energy and protein that is easier for them to digest and absorb. Maize gluten market was valued at USD 2,223.2 million in 2023 with volumes in range of ~ 11.1 million tons.

Global Maize Starch Co-products Market Size, Million Tons



Source: Industry sources, Frost & Sullivan

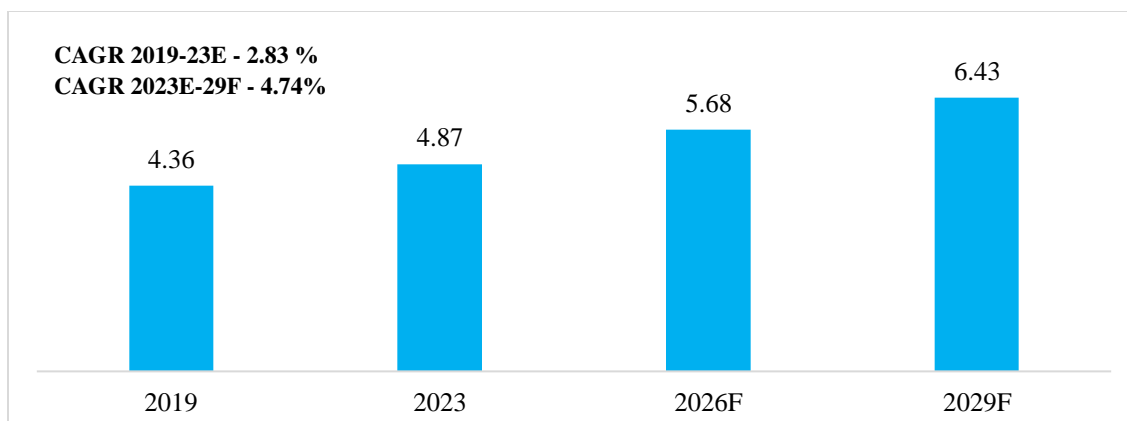
Maize fibre & Maize steep liquor market was valued at USD 783 million and USD 1,969 million respectively in 2023. Microorganisms use Maize steep liquor as a nutrient in the synthesis of enzymes, antibiotics, and other fermentation products. It is frequently used in feeds for dairy and beef cattle, poultry, swine and pet food. It is occasionally mixed with other components in maize gluten feed.

Indian Native Maize Starch Market

The Indian native maize starch industry is expected to be valued at USD 1,897 million in 2023 with volume of 4.87 million tons. The market has grown at CAGR 3.27% since 2019 and is further expected to grow at CAGR 4.56% till the forecasted period. The market for maize starch has expanded significantly over the years as a result of new plants that have recently opened with milling capacities ranging from 200 TPD (Tons Per Day) to 350 TPD at the start and gradually expanding till 600-1000 MTD. Many players in Indian maize starch industry are undergoing capacity expansions to cater to increasing global as well as domestic demands. The minimum viable capacity for maize starch in Indian ranges from 600- 800 MTD.

Further the growing applications of native maize starch in pharmaceutical, textile, adhesives, paper and cosmetic industry propelling the growth of native maize starch in India. Native starch is incorporated in a wide variety of consumable products, such as bakery mixes, frozen cakes, sheeted snacks, batter mixes, brewing adjuncts, dry mix soups and sauces, processed meat, pudding powders, cold process salad dressings, dips, and fruit preparations. It is also added to pet food products as native starch is an effective source of energy for dogs and cats and enhances the density and texture of the product. It is used as a stabilizing, thickening, gelling, and moisture-retaining agent. It is also employed to stiffen textiles for improving the appearance of fabrics by imparting a glossy texture. It is widely used as a flocculant, binder, and bonding agent in the paper industry.

Indian Native Maize Starch Market Size, Million Tons



Source: Industry sources, Frost & Sullivan

India's installed starch capacity presently ranges between 5.8 and 6.5 MTPA, and the industry is experiencing a surge in expansion activity, resulting in multiple projects to improve/set up new capacities. Industry experts claim that the availability of raw materials in the country and the rise in demand for starch in both the domestic and export markets have increased the capacity for maize based ingredients solution's industry to nearly triple over the past decade.

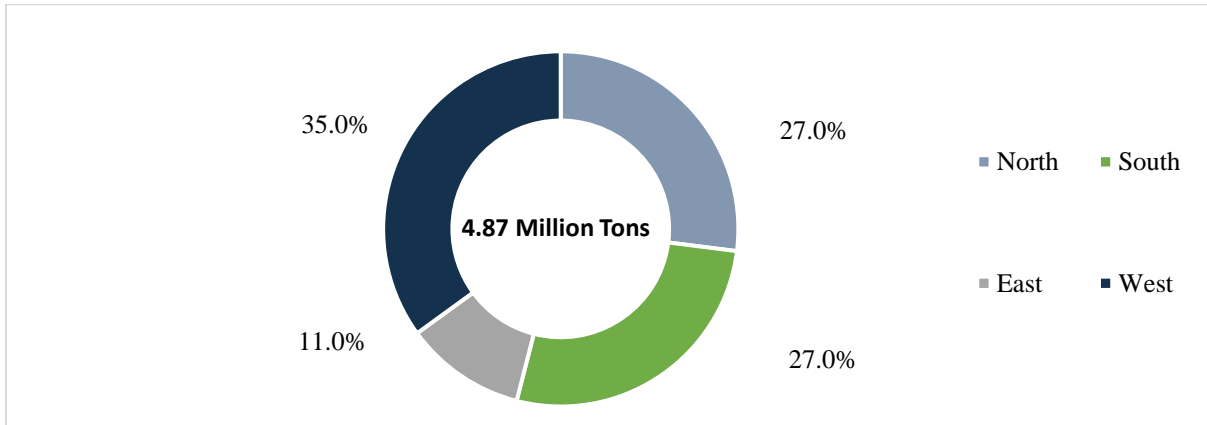
With a global share of approximately 14.3% in 2022, India stands as the world's top exporter of native maize starch. A relatively small amount of native starch is imported.

The India native Maize starch market is highly competitive, with several key players dominating the industry. Some of the major players in the market include Roquette Riddhi Siddhi Private Limited, Gujarat Ambuja Exports Limited, Sanstar Biochem, Sukhjit Starch & Chemicals Ltd., Sayaji Industries Limited, Universal Starch Chem Allied Ltd., etc. Key end users in domestic market for Native Starch are Mondelez, Parle Products, Nestle, Britannia Industries Limited, Priya Gold, ITC, Dabur, JK Paper Limited, Weikfield Foods, Arvind Ltd., JCT Ltd, Century Pulp & Paper to name a few.

Geography-wise Breakup of the Indian Native Maize Starch Industry

Diversified end use industries in India create differential demand of native maize starch. Plethora of industries in west zone states such as Gujarat & Maharashtra use native starch for application in pharma, F&B, textile, paper industry. South and North zone rich paper and textile industry clubbed with F&B industry use native starch.

Indian Native Maize Starch Market Size, By Geography, 2023



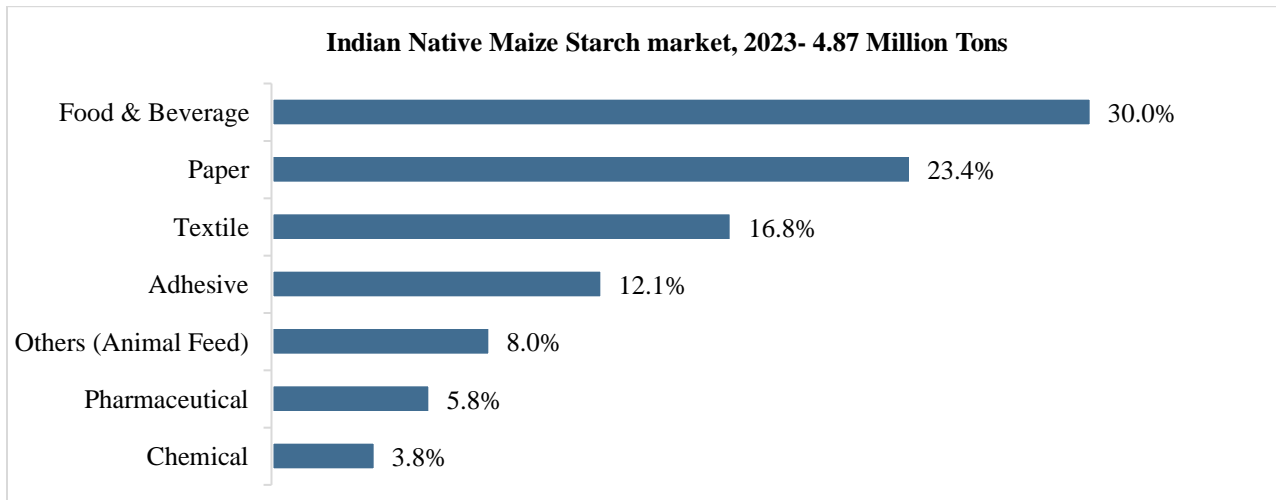
Source: Industry sources, Frost & Sullivan

Application-wise Breakup of the Indian Native Maize Starch Industry

The food and beverage, textile, paper, adhesive, and pharmaceutical industries are the main end users of maize based specialty products and ingredients solutions. In addition to being used to give cloth weight, strengthen ice cream cones, and improve the quality of writing and printing paper, starch is also employed as a binder and filler for tablets and capsules. The high-value food processing and beverage sector, where there is a significant market for native maize starches, is the most promising of all. The majority of food goods are frozen and ready-to-eat items, with the usage of starch in soup and noodle dishes growing.

About 30% of the local maize starch consumed is used in the food and beverage industry followed by 23.4% by paper industry and ~16.8% by textile industry.

Indian Native Maize Starch Market Size, By application, 2023



Source: Industry sources, Frost & Sullivan

Indian Co- products Market

Maize starch co-products market in India was approximately 1.12 million tons in 2023 which was valued up to USD 499.15 Million. Demand for co-products, especially Maize Gluten and Maize Fiber is increasing in India owing to growing Poultry industry. Animal Nutrition industry which uses Maize Gluten and Oil Cake has experienced a significant growth in the recent past. Maize Fiber is odourless yellow fibrous matter with maximum 12% moisture content. It is considered as an essential component to ensure safe, ample, and affordable animal proteins. When mixed in animal nutrition products, it helps increasing the cattle's milk yield. It is also used as feedstock for the Ethanol production. Indian market for maize fibre is valued at USD 58.0 million in 2023. Enriched fibre is also produced by adding Maize Steep Liquor to dry fibre.

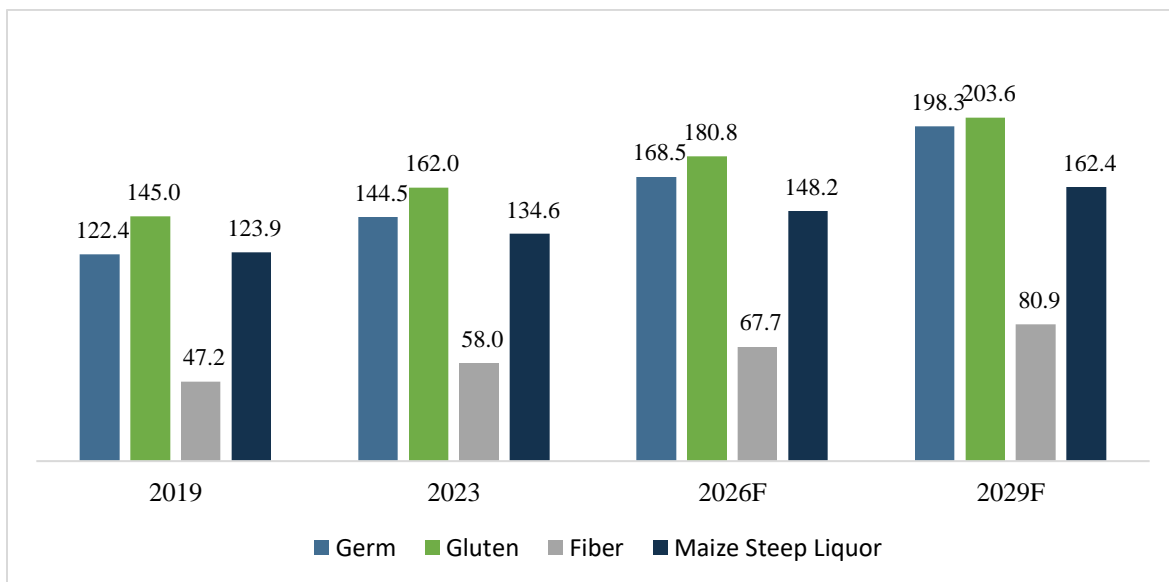
Cattle, Fish and other livestock animals use maize gluten meal, a feed that is high in protein (approximately 65% crude protein, or DM), as a source of energy, and protein. For its excellent protein digestibility, it is also highly valued in pet food. Currently Indian market for maize gluten is valued at USD 162million & ~ 0.23 million tons.

Maize steep liquor is a high-protein, high-energy liquid that is produced by steeping the soluble portions of maize kernels. It is frequently used as an addition in animal nutrition, particularly for ruminants.

In animal nutrition, it serves as a binding or pelleting agent. Due to its excellent nutritional value—it is high in vitamins, lactic acid, and proteins—and its utility to the pharmaceutical and enzyme industries is particularly noteworthy.

Many of India's small-scale maize milling operators trash the grain or turn it into fuel. However, discarding large amounts of Maize steep liquor could cause the allowed limit for effluent discharge to be exceeded.

Indian Maize Starch Co-products Market Size, Million Tons



Source: Industry sources, Frost & Sullivan

These co-products are sold directly to dealers or end users by maize-based speciality products and ingredient solutions companies. Due to their low profit margins, the industry is moving towards selling these co-products directly to consumers.

Applications of Co-Products: -

- **Germ-** Maize germ can be processed into maize oil, which can then be further processed in manufacturing of oil, margarine, mayonnaise, salad dressing, soaps, and a variety of other products. Food & beverage application for germ i.e., maize oil will be ~40-45%. After the extraction of the maize oil from the germ, the residue is used in maize germ meal as animal nutrition which contributes to ~50-55%.
- **Gluten-** Maize gluten is 100% used for the cattle nutrition products. It is also used in poultry industry as a meal for broiler, chickens and laying hens.
- **Fiber-** Maize Fiber is ~95 % used in animal nutrition. It can be mixed with concentrated steeping liquor for making animal nutrition products. It is also used to thicken processed foods like cereals, baked goods, dairy products, protein bars, and salad dressings but on very limited occasions.
- **Maize Steep Liquor-** It is used in combination with other ingredients in maize gluten feed and widely used in complete nutrition products for dairy and beef cattle, poultry, swine, and pet foods. ~70% application is in animal nutrition products with remaining 30% used in pharma industry as good additive for microbial growth media.

Comprehensive study and analysis of restraints and opportunities influencing the growth of the segment.

Opportunities

- Low per capita consumption of starch compared to North America and Europe
- Increasing demand for ready to eat foods which uses maize starch in large quantities.
- India is amongst top exporters of maize starch, and demand keeps increasing.
- Uncertainty in sugar prices along with side effects has led to increasing use of maize based specialty products and ingredients solutions such as liquid glucose, sorbitol, maltitol, etc.
- The acetates and alcohols (derived from petroleum) used to help laminate graphics onto cardboard and the latexes that are used as binders in paper coatings are being replaced by adhesives derived from maize starch.
- When maize starch and polymers are mixed, a super absorbent is produced that is used in bandages, sanitary napkins, disposable diapers, and baby powders. It may also be used to clean up pesticide spills and extract water from gasoline.
- Increasing health-conscious consumers is leading to increased demand for vitamins and nutraceutical products in form of swallowable tablets, hard capsules, blends, granules and pellets premix. Maize starch is vital ingredient in production of these products.
- Demand for the maize is so high in fact that buyers, such as poultry feed makers, pay in advance before collecting maize directly from the growers.

Restraints

- Increasing demand for maize by different sectors- Feed manufacturers, Ethanol manufacturers, F&B industry leads to put strain on supply of demand for maize starch industry.
- Increasing competition by local unorganized player in maize-based speciality products and ingredient solutions industry.
- Capacity to dry maize up to the level of 14% is limited which leads to wastage and loss to farmers. As per Industry, there is a shortage of farm level infrastructure such as maize driers and quality storage facilities in Indian maize cultivating regions. Such lack of adequate infrastructure, results in quality degradation of the maize crop. Further, the lack of drying maize to appropriate levels leads to post harvest losses for maize cultivating farmers. According

study done by NABCONS in 2022, post-harvest loss of cereals is 3.89% - 5.92% which occurs at different stages of harvesting, collection, grading/sorting, winnowing/cleaning, drying, packaging, transportation, and storage depending. Moreover, as per the US Grain council, moisture level of maize shall not be more than 14.00% The wastage and loss to maize cultivating farmers in the process of drying the maize up-to 14.00% could lead to shortage in availability of maize for procurement which in turn will affect the price of maize.

- Quality concerns may hinder export opportunities.
- Price fluctuation of maize due to global volatility in supply demand scenario increases risk for maize based speciality products and ingredient solutions providers.

Organic Starch

Organic Starches are naturally forming hydrocarbons whose raw material sources are organic certified, kosher – HALAL approved and processed by organic, non-GMO seeds. Some of the common raw material sources of organic starch are - potatoes, maize, waxy maize and wheat. These are further processed by mechanical processes at starch mills to produce starch without the use of any chemical, solvent and additives.

Starch being an important thickening agent in puddings, soups, sauces, snacks and gum or jelly products among many other instant/ ready to eat products, serves as an important commodity in the organic food industry. Apart from this, organic starch is used for several downstream processing industries such as confectionery, nutraceutical, and pharmaceutical industries. Rising demand for organic food including organic instant soups, sauces, and gravies has been on the rise to ensure that these products have the right consistency and taste, while catering to the clean label conscious consumers.

The Global Organic Starch market is estimated at ~ USD 33.84 billion in the year 2023. Global companies such as Agrana have been promoting the use of organic starch from potato, maize and waxy maize feedstocks for 25 years. This has enabled them to cater to the organic & GMO-free trend that promotes clean label and set themselves apart to cater to production of organic maize starch, maltodextrin, and dextrose. Company offers organic wheat starch and wheat protein from their production facility in Pischelsdorf, Lower Austria to cater to the European market. In recent years, Wheat Starch and Wheat Gluten have transformed into specialty, value-added products.

In the Indian scenario, the consumption of Organic Starch and Syrups is still at a nascent stage. Only a handful of players such as Sanstar Ltd., Aryan International and Ekta International among few others are operating in this niche market with few takers. Sanstar Ltd. is one of the pioneers in Organic Starch Production with production capacity of around 1,000 MT/month of Organic Starch as of 2023. In terms of procurement, company buys certified organic maize on trace net; and do separate processing of the same; and product again a transaction certificate certified by APEDA and SGS and tested by labs for the organic certification of the product.

The Indian market is expected to gain traction toward Organic Starch uses and exports to markets including USA & Australia. This will put Sanstar at a favourable position to cater to the Indian & Exports Market when the consumer focus shifts and demand increases.

Growth Drivers for Organic Starch

- Increased use of organic starches in plant-based foods market/ Alternative meat market is showing exponential growth
- Increasing consumer consciousness for clean label food products
- Stringent regulations on synthetic additives in food, pharma, and nutraceutical industry
- Changing consumer lifestyles and food preferences along with growth in per capita income.

- Increased adoption of non-GMO sustainable practices among manufacturers

Regulatory Landscape including Subsidies (India)

- The FSSAI states that modified maize starch may be used up to a maximum concentration of 0.5% by weight in coatings, confections, flavors, dairy products (where the use of an emulsifier or stabilizer is permitted by laws), glazes, icings, gravies, sauces, soups, and glazes.
- Modified Starches can be utilized at a maximum concentration of 5% by weight in salad dressing/mayonnaise, baked goods, snack foods, and frozen potato products.
- To reduce hazardous pollutants, the Indian government has mandated the installation of ETPs (effluent treatment plants) for the maize processing industry. Using the treated water for agricultural uses is allowed up to a BOD level of 30 PPM. The Indian government's Ministry of Environment and Forests is also able to provide financial assistance in the form of a capital subsidy.
- Acid treated starch may be utilized in sugar confectionery on a GMP basis.
- In some products, the statutory permissible limit of usage of starch is still very low in India compared to the permissible limits in other American and European countries. The government may consider and thereby make necessary amendments in the permissible limits.
- Although shifting trade barriers and changes in agricultural policy are frequently seen as factors influencing business change, they are typically of secondary importance because they are frequently an attempt to shield local interests from the pressures of supply and demand brought on by these variations in growth patterns.

The Food Safety and Standards Authority of India (FSSAI) altered the laws governing the use of modified starches in food in the course of 2016. The previous dosage limit of 0.5 percent for modified starches in processed foods can now be replaced by GMP (good manufacturing practice) dosages under the new legislation.

Native Maize Starch Based Derivatives Products Industry Overview

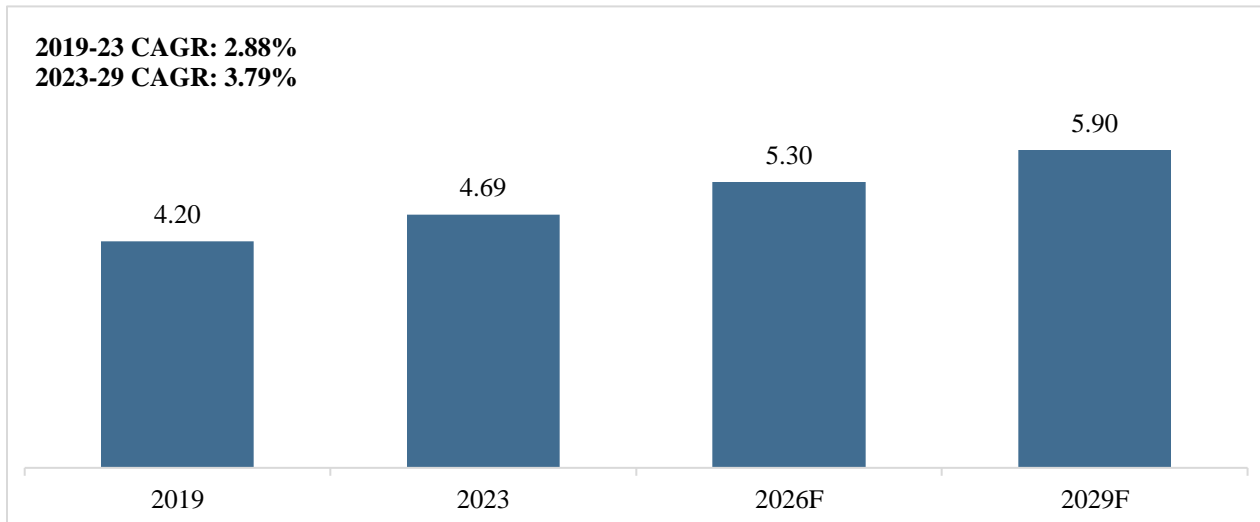
Global Derivatives Market

Global Glucose Market

The global glucose market size is estimated at USD 2,265.1 Mn in 2023 and is expected to expand at CAGR of 4.14% from 2023 to 2029 to reach USD 2,888.9 Mn by 2029. In volume terms the market is around 4.7 Mn MT in 2023 and will grow to 5.9 Mn MT recording a CAGR of 3.79%.

Liquid Glucose is majorly used as sweetener. It is also used as a texturant, volume enhancing agent, and flavorant and also helps in the prevention of sugar crystallization of sugar molecules in F&B products. The increasing demand for soft drinks, confectionery and bakery products in the food and beverages sector is fuelling the growth of this market. Further, increasing demand for aerated and non-aerated drinks drives the demand for Liquid glucose, as it is widely used as a sweetener in these beverages.

Global Liquid Glucose Market, Million Tons, 2019-2029F

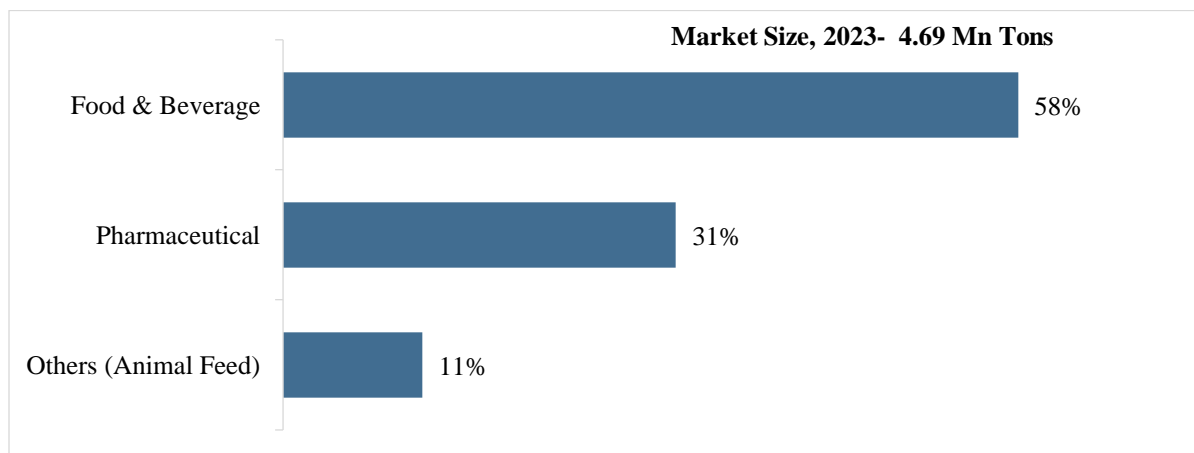


Source: Frost & Sullivan Primary Research & Analysis

Liquid Glucose has wide application in Food & Beverage sector. It is used in the production of frozen desserts and candy. It is also used to add sweetness to baked goods. In some confectionary items it can be used as a necessary ingredient up to the extent of around 40%. It is generally used in the production of homogeneous confectionary products such as chewing gums and chocolates. Liquid glucose also has good preservative qualities, imparts a smooth texture to the end products, and enhances the shelf life of the end product. This has led to increased demand for glucose in the confectionary product segment.

Apart from F&B, glucose has high demand across pharmaceutical industry. It is used as flavour enhancer, adjuncts, texture enhancer, humectants, stabilizer, preservative, and coating and bulking agent. It is also used as a humectant in personal care products. It helps bind moisture to skin, adds flavor to facial cleansers and lip balms, and is also a part of many prebiotics that help reinforce skin's microbiome.

Global Liquid Glucose Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

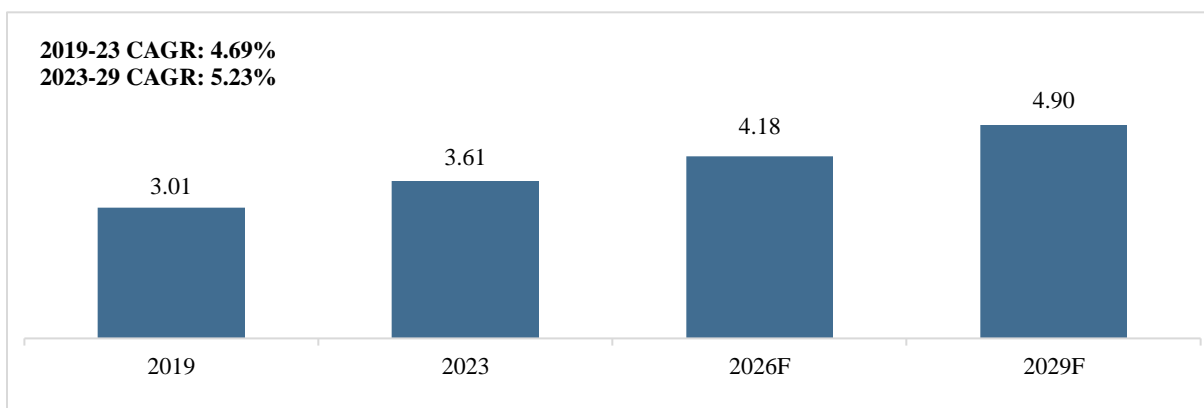
Cargill, Agrana , ADM, DGF Service, Ingredion, Karo Syrup, Dr. Oetker, Grain Processing Corporation, MEFSCO, Queen Fine Food, Roquette and Tate and Lyle among others, are the major players in the global liquid glucose market.

Global Maltodextrin Market

Maltodextrin is natural food ingredient, which is easily digestible, being absorbed as rapidly as glucose and is either moderately sweet or almost flavourless. It has vast applications in infant baby foods, instant food products, dairy products, confectionary, soups, and salad dressings. It is extensively used as a stabilizer, thickener, and filling agent. Maltodextrin is composed of maltose, polysaccharides, oligosaccharides, and glucose. Hydrolysis of starch, refinement, and spray-drying are all steps in the production of maltodextrin, which is 15-20% equal to dextrose. Maltodextrin is one of the artificial sugars with a mild, sweet taste.

Global Maltodextrin market was valued at USD 1,932.9 Mn in 2023. The market has been projected to expand at a CAGR of 5.54% to reach the value of USD 2,671.5 Mn in 2029. In volume terms the market is around 3.61 Mn MT in 2023 and will grow to 4.9 Mn MT recording a CAGR of 5.23% in 2029.

Global Maltodextrin Powder Market, Mn Tons, 2019-2029F



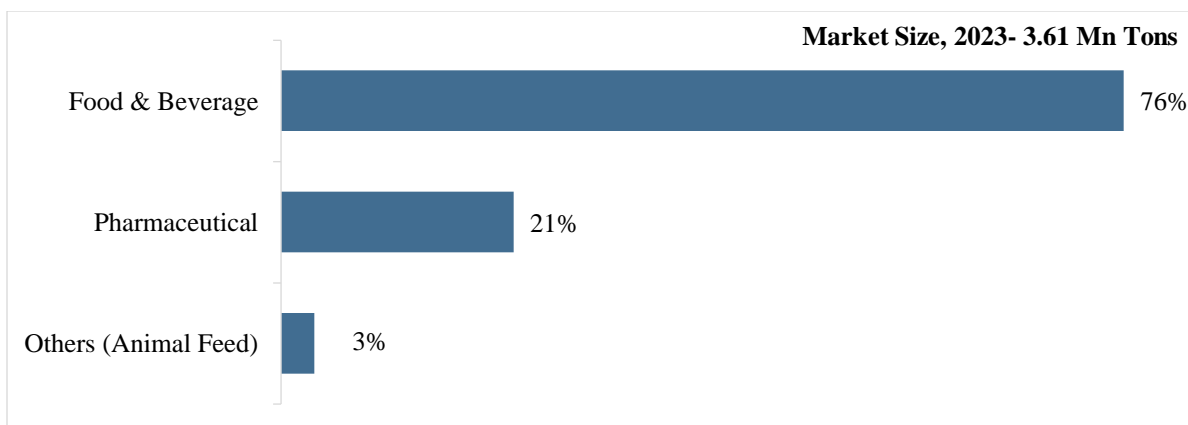
Source: Frost & Sullivan Primary Research & Analysis

Maltodextrin is commonly used as a food additive and is present in various packaged foods such as seasonings, cereal, potato chips, desserts, soups & sauces, canned fruits, snacks, spice mixes, baked goods, instant pudding, salad dressings, nutrition bars, sauces, yogurt, sugar-free sweeteners, cake mixes, and meal replacement shakes among others. In comparison to sugar, maltodextrin has fewer calories, owing to which it finds application as a sugar substitutes. In addition, maltodextrin is also being used as binding, crystal inhibition, and plasticizing in confectionary for candy coating, soft-centre candies, glazing, and frosting, for snack and nut coating. Maltodextrin is also being used to improve the hygroscopic features in hard candies. To produce any food or beverage items, it is used in very small quantities, so that it does not cause any hindrance to the fat, fibre, and protein content of that product. Moreover, maltodextrin is also considered a multi-functional ingredient in the food and beverage industry owing to which it is facing very higher demand across the globe.

Apart from the food and beverage industry, maltodextrin is also used in the pet food, and Animal Nutrition industry owing to its functional properties such as stabilizing, thickening, anticaking, and bulking. Maltodextrin is also being used to produce various products associated with livestock feed and their health. Maltodextrin-based food products support the digestive health of cattle and pets, owing to which it is widely being used to produce pet food and animal nutrition products.

It also has applications in pharmaceutical and supplements industry where it is majorly used as diluents. It is also used as tablet Binder, Coating Agent, and Viscosity- Increasing Agent.

Global Maltodextrin Powder Market - Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

The APAC region is projected to be the fastest growing Maltodextrin market for F&B segment, owing to the rising demand for low-caloric food in the region and the large-scale availability and affordability of Maltodextrin in the region. Furthermore, the rapidly growing convenience food and personal care industries in APAC region have led to an increase in the consumption of Maltodextrin products.

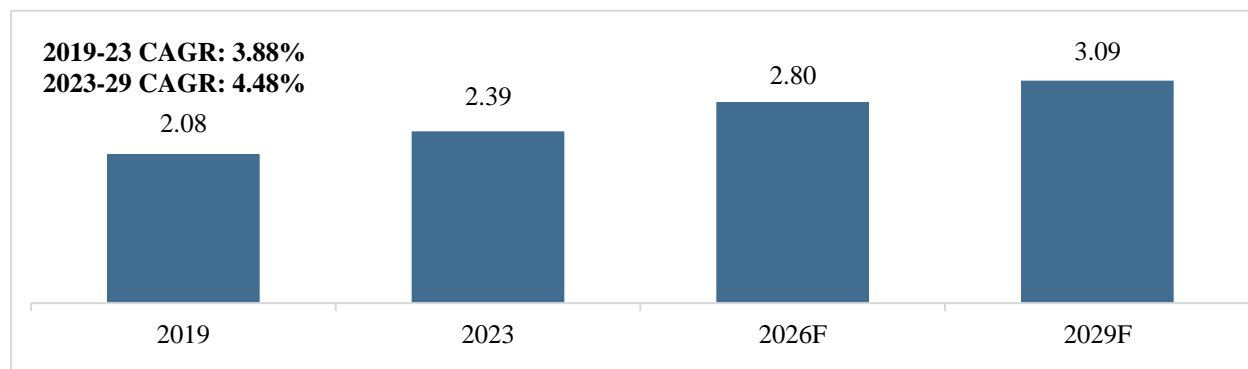
Some of the key players in maltodextrin industry are Cargill, Archer Daniels Midland Company, Ingredion Incorporated, Roquette, Tereos, Tate & Lyle, Agrana, Tate & Lyle, AGRANA, Matsutani Chemical Industry Co., Ltd. and Global Sweeteners Holdings Limited

Global Dextrose Monohydrate Market

Dextrose Monohydrate (D-glucose) is a sugar that's a stable, odourless, white crystalline powder or colourless crystal. In its pure form, it has a dextrose equivalency (DE) of 100, which indicates that it's 100% pure Dextrose, not a mixture with other substances as well. Dextrose Monohydrate is the monohydrate form of D-glucose, a natural monosaccharide and carbohydrate. Pharmaceutical is the major application for Dextrose Monohydrate.

The global dextrose monohydrate market was valued at USD 1,308 Mn in 2023 and is forecasted to expand at a CAGR of 4.75% to reach valuation of USD 1,727.7 Mn by 2029. In volume terms the market was around 2.4 Mn MT in 2023 and will grow to 3.1 Mn MT recording a CAGR of 4.48%.

Global Dextrose Monohydrate Market, Mn Ton, 2019-2029F



Source: Frost & Sullivan Primary Research & Analysis

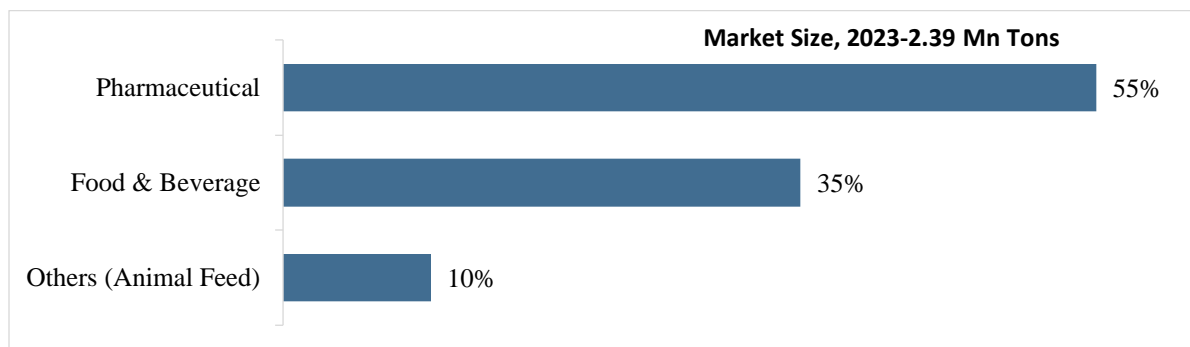
In pharmaceutical application, Dextrose serves to replenish lost nutrients and electrolytes. The agent provides metabolic energy and is the primary ingredient in oral rehydration salts (ORS) and is used in intravenous (IV) fluids to provide nutrients to patients under intensive care who are unable to receive them by the oral route. Solutions containing dextrose restore blood glucose levels, provide calories, may aid in minimizing liver glycogen depletion

and exerts a protein-sparing action. Dextrose also plays a role in the production of proteins and in lipid metabolism. Dextrose has a caloric value of 4 Kcal/g which produces a rapid glycaemic response. It provides an immediate source of energy for the organs, muscles and brain.

It is also used in food industry and can provide support in replacing sucrose in baking, dairy products, canned products, chewing gum and preserves. Dextrose monohydrate is widely used in confectionery, beverages, biscuits, bakery products, gum, creams, and frozen dairy products alcoholic beverages, jarred and canned foods for better taste and quality. Other than this, it is also used in beverage powders, in caramel colouring and other compositions where it supports extended shelf life of the products. The presence of dextrose also supports keeping powdered beverage drinks free flowing.

To increase the taste and shelf life of the products, manufacturers of beverages, confectionary, and bakery goods are focusing on natural ways to keep their portfolios fresh for a longer amount of time. Dextrose made from natural ingredients plays a crucial part in the preservation process as it does not hydrolyse in the same way as sucrose does, allowing many food products to have a longer shelf life.

Global Dextrose Monohydrate Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

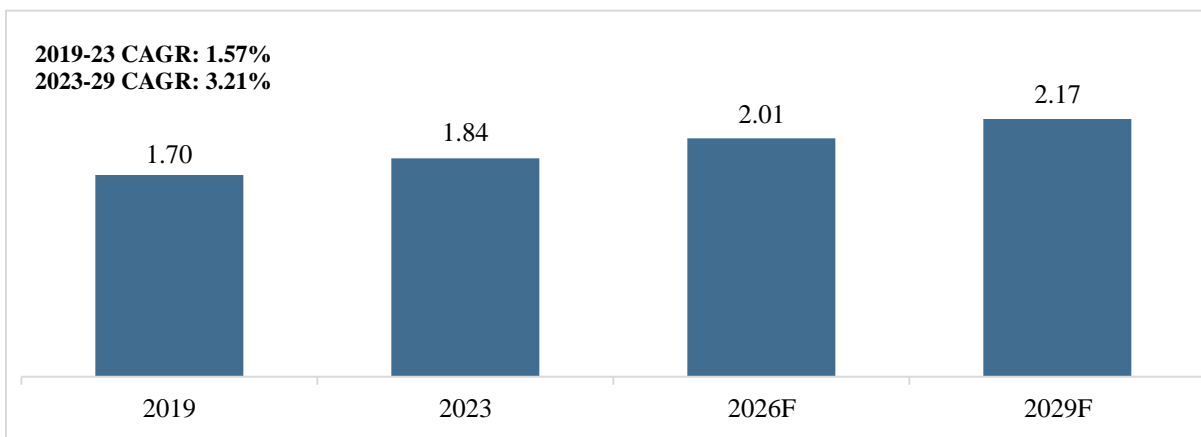
Among the key players- Archer Daniels Midland Company, Cargill, Tate & Lyle, Roquette, Tereos, Sinofi ingredients, Belgosuc, Penta Manufacturing Company, Global Sweeteners Holdings Limited and Foodchem International Corporation are the major ones.

Global Dextrose Anhydrous Market

Anhydrous Dextrose is the anhydrous form of D-glucose, a natural monosaccharide and carbohydrate. This product has a natural low water content compared to dextrose monohydrate thereby providing superior stability. It is majorly used in nutrition supplement and as sweetener in food & beverage industry. Apart from food, it is also used in animal nutrition and pharmaceutical industry. It is also used in infant formula to improve nutrition value.

The global dextrose anhydrous market was valued at USD 835.2 Mn in 2023 and is forecasted to expand at a CAGR of 2.73% to reach valuation of USD 981.7 Mn by 2029. In volume terms the market was around 1.84 Mn MT in 2023 and will grow to 2.2 Mn MT recording a CAGR of 3.2%.

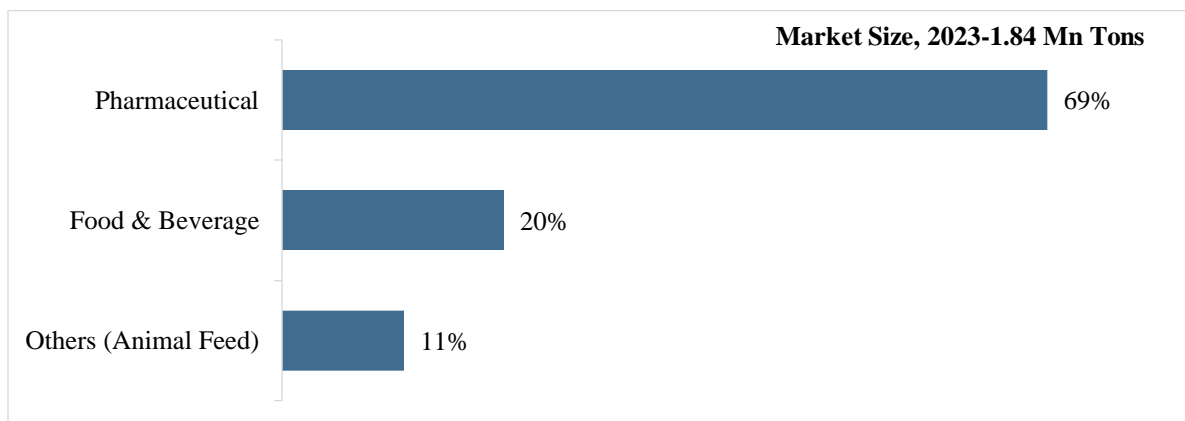
Global Dextrose Anhydrous Market, Mn Tons, 2019-2029F



Source: Frost & Sullivan Primary Research & Analysis

Dextrose Anhydrous has a wide application in pharmaceutical products by way of Excipient as filler or binder. It is used as buffering agent in veterinary medicine and animal nutrition industry. It is also used as antioxidant and fermentation substrate in production of various vitamins, amino acids, and other organic products. Dextrose anhydrous can provide benefit to swallowable tablets, chewable tablets, effervescent tablets, and medicated confectionaries.

Global Dextrose Anhydrous Market - Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

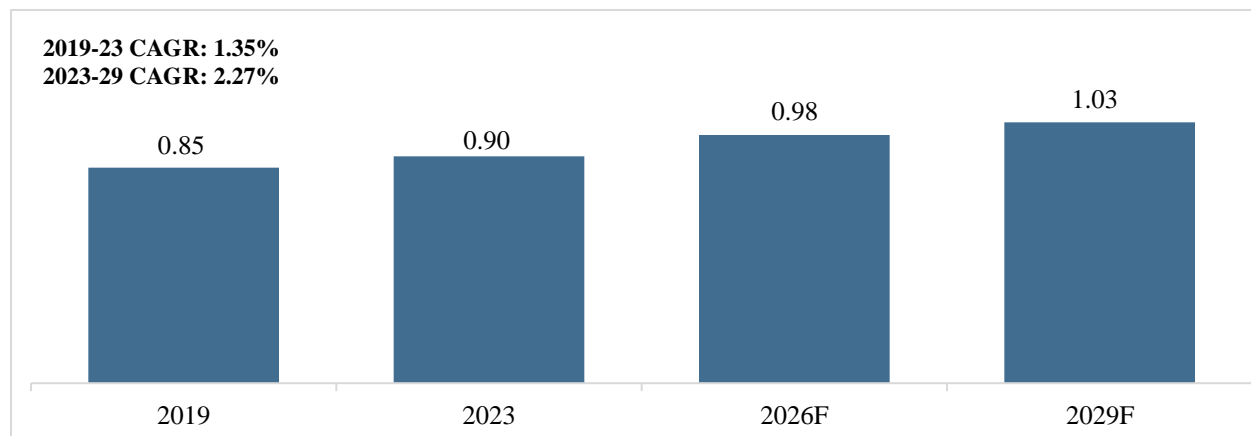
Archer Daniels Midland Company, Cargill, Tate & Lyle, Roquette, Tereos, Sinofi ingredients, Belgosuc, Penta Manufacturing Company, Global Sweeteners Holdings Limited and Foodchem International Corporation are among the key players.

Global Liquid Sorbitol Market

Sorbitol is a sugar alcohol and is identified as a potential key chemical intermediate from biomass resources. It is used as sweetener, humectant, sequestrant, texturizer, stabilizer, and bulking agent in various industries such as food & beverage, pharmaceuticals, cosmetics & personal care, etc. It is majorly used as preservative, additive, and sweetener in the food industry, as a carrier in the pharmaceutical industry and as an emulsion stabilizer in cosmetics.

The global liquid sorbitol market size was valued at USD 557.9 Mn in 2023 and is projected to reach USD 635.3 Mn by the end of 2029, exhibiting a CAGR of 2.19% in the forecast period 2023-2029. In volume terms the market was around 0.9 Mn MT in 2023 and will grow to 1.03 Mn MT recording a CAGR of 1.98%.

Global Liquid Sorbitol Market, Mn Tons, 2019-2029F



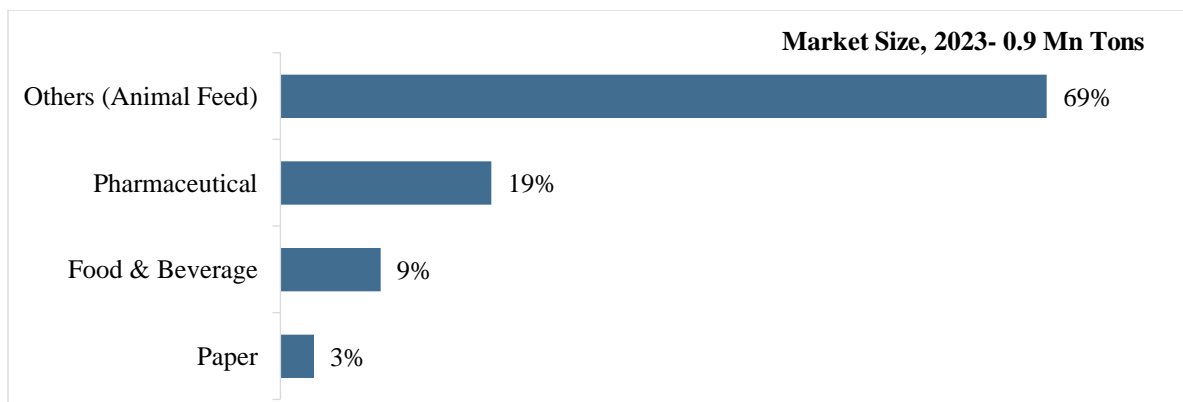
Source: Frost & Sullivan Primary Research & Analysis

The market is expected to witness significant growth over the forecast period owing to the rising usage of diabetic and dietetic food and beverages. The growing product demand as a substitute for sugar in consumer food products is also expected to drive demand for the product over the next few years. Sorbitol is also increasingly being used in oral care products as it is metabolized at a slower rate as compared to other sugar alcohols, preventing dental problems such as cavities and tooth decay. The benefits of the same are expected to propel industry growth over the forecast period.

Additionally, the trend of shifting production capacities to the Asia Pacific due to low production and labour costs has resulted in low costs for sorbitol, therefore causing rising demand for non-food applications.

The increasing use of the product in chocolates and confectionary products owing to its textural, moisture-stabilizing, and non-carcinogenic properties is expected to positively affect the overall demand of the market. Sorbitol is chemically relatively inert and is a stable chemical, which is expected to result in high demand for the product as it is easy to incorporate into other food products without hampering the recipe. Due to the unique and useful texture-enhancing properties of sorbitol, it has varied applications, including the manufacturing of cosmetics.

Global Liquid Sorbitol , By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

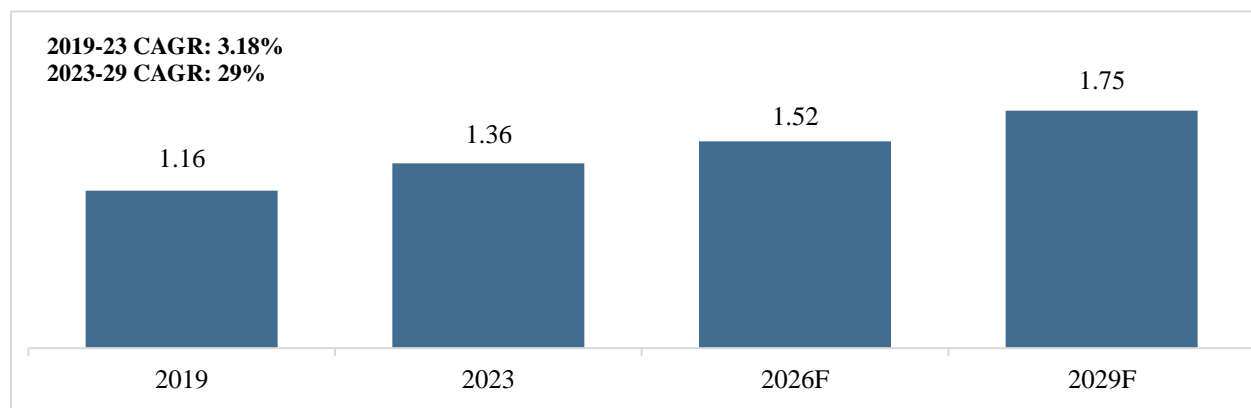
Roquette, Cargill, Ingredion, ADM, Tereos, Merck group, Ecogreen Oleochemicals Pte, Gulshan Polyols are some of the major players in sorbitol market.

Global Dried Glucose Solids (Powder) Market

The glucose market is segmented based on form – Syrups (Liquid) and solids (Dried). The liquid segment held the majority of share in 2023. Dried glucose, also known as spray dried glucose syrup, is a powder form of glucose syrup that is produced by rapidly drying a liquid glucose solution. Dried glucose solids are Ideal bulking agent and drying carrier, Moisture Conditioner, Crystallization Inhibitors, Stabilizers, among others. The Global dried glucose market is penetrating with the faster pace and potential over the past few years and is estimated to expand substantially in the forecasted period that is 2023 to 2029.

The global glucose solids market size was valued at USD 774.9 Mn in 2023 and is projected to reach USD 969.3 Mn by the end of 2029, exhibiting a CAGR of 3.80% in the forecast period 2023-2029. In volume terms the market was around 1.36 Mn MT in 2023 and will grow to 1.75 Mn MT in 2029 recording a CAGR of 4.29%.

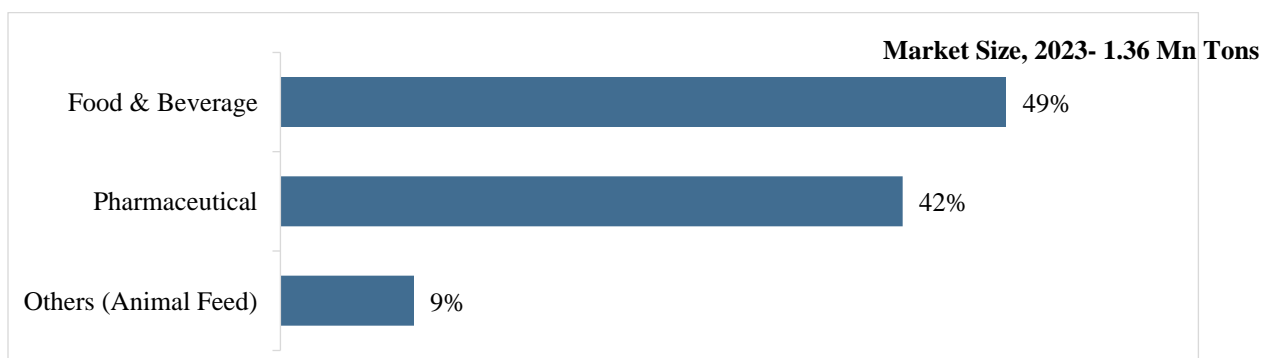
Global Dried Glucose Solids (Powder) Market, Mn Tons, 2019-2029F



Source: Frost & Sullivan Primary Research & Analysis

It is a widely used ingredient in various food and beverage products as a sweetener, texture enhancer, and moisture control agent. Dried glucose syrup is soluble in water and has a longer shelf life compared to liquid syrup. The increasing demand for convenience foods and processed snacks is driving the growth of the market. Dried glucose is extensively used in these products to enhance taste, improve texture, and increase shelf life. Additionally, the rising health-consciousness among consumers is leading to a shift towards natural and organic ingredients, which is further driving the demand for dried glucose syrup derived from natural sources.

Global Dried Glucose Solids (Powder) Market – By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

Moreover, the growing consumer preference for clean-label and natural products with reduced sugar content is also expected to boost the market growth. Dried glucose serves as a suitable alternative to conventional sugar in such products, providing sweetness without adding excessive calories. Furthermore, the expanding food and beverage industry, particularly in developing economies, is creating lucrative opportunities for the dried glucose market. The increasing disposable incomes, changing dietary patterns, and growing urbanization are key factors propelling the demand for processed food and beverages.

Indian Derivatives Market

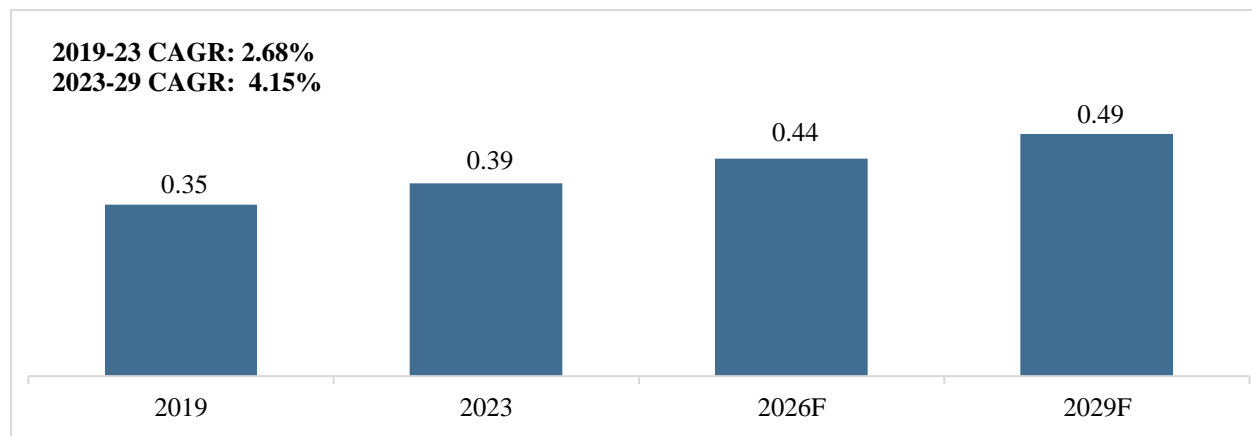
India Liquid Glucose Market

Liquid Glucose is produced by partial hydrolysis of starch slurry by acid or enzyme. It is clear, colourless and viscous solution which makes it suitable to be used as ingredient in many food and beverage products.

The India glucose market size is estimated at USD 186.6 Mn in 2023 and is expected to expand at CAGR of 4.02% from 2023 to 2029 to reach USD 236.4 Mn by 2029. In volume terms the market is around 0.39 Mn MT in 2023 and will grow to 0.49 Mn MT recording a CAGR of 4.15%.

India exports most of its Liquid glucose to Indonesia, Kenya and Sri Lanka and is the largest exporter of Liquid glucose in the World. Liquid glucose is exported by more than 10-15 India Exporters to nearly 1,500 buyers.

India Liquid Glucose Market, Mn Tons, 2019-2029F



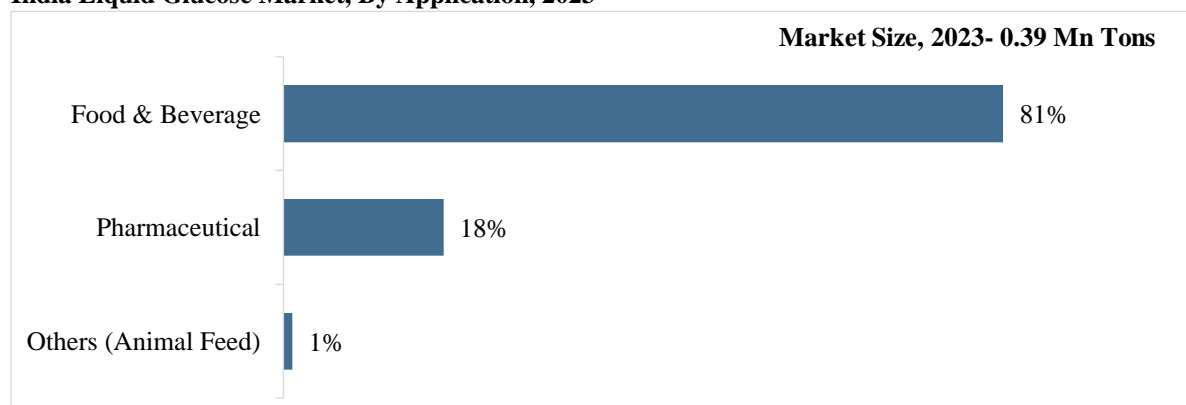
Source: Frost & Sullivan Primary Research & Analysis

Liquid Glucose has wide application in Food & Beverage sector. Liquid glucose is used to manufacture flavoured candies and chocolates. It is used in the preparation of glucose biscuits. Liquid Glucose also helps to keep products soft and fresh and acts as a preservative which makes it suitable for using in Jams, jellies, chewing gums and canned fruits. It is also used as a base for preparing artificial honey.

Liquid Glucose is also used in pharmaceutical industry particularly in cough syrup and vitamin-based tonics. It is also used as a granulating agent for tablet coating.

Liquid glucose also has its use in curing and imparting flavour in tobacco. Liquid Glucose is added to shoe polish to prevent which helps avoid caking and gives better shine. It is also used in tanning to get softer texture and enhance weight.

India Liquid Glucose Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

Cargill, Agrana, ADM, DGF Service, Ingredion, Karo Syrup, Dr. Oetker, Grain Processing Corporation, MEFCO, Queen Fine Food, Roquette and Tate and Lyle among others, are the major players in the India liquid glucose market.

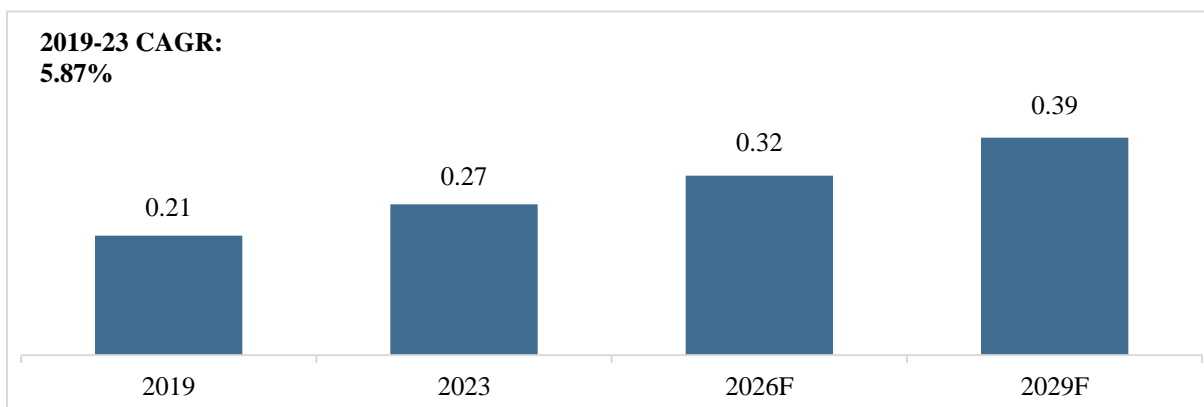
Indian Maltodextrin Powder Market

Maltodextrin Powder is produced by enzymatic hydrolysis of Maize starch, a lightly hygroscopic in nature. It is a fine white powder produced by spray drying partially hydrolysed starch, it has a dextrose equivalent (DE) of 10-25% it provides a convenient and nutritionally sound way to replete energy reserves. Maltodextrin is a complex carbohydrate combination that provides long-lasting energy. Maltodextrin powder has a rapid rate of digestion, allowing it to supply additional calories without causing the abdominal discomfort that can be experienced with simple sugars. The body gets energy from maltodextrin gradually easily and evenly, so it is ideal for carbo loading.

Maltodextrin Powder is highly recommended for those whose metabolic rate and appetite is the limiting factor in their ability to gain weight. Use of maltodextrin will speed the rate of recovery after exercise by inhibiting proteolysis. Carbohydrate supplementation is one of the most reliable and inexpensive ways to increase exercise performance.

India Maltodextrin market was valued at USD 141 Mn in 2023. The market has been projected to expand at a CAGR of 6.93% to reach the value of USD 210.8 Mn in 2029. In volume terms the market is around 0.2 Mn MT in 2023 and will grow to 0.38 Mn MT recording a CAGR of 6.35%.

India Maltodextrin Powder Market, Mn Tons, 2019-2029F

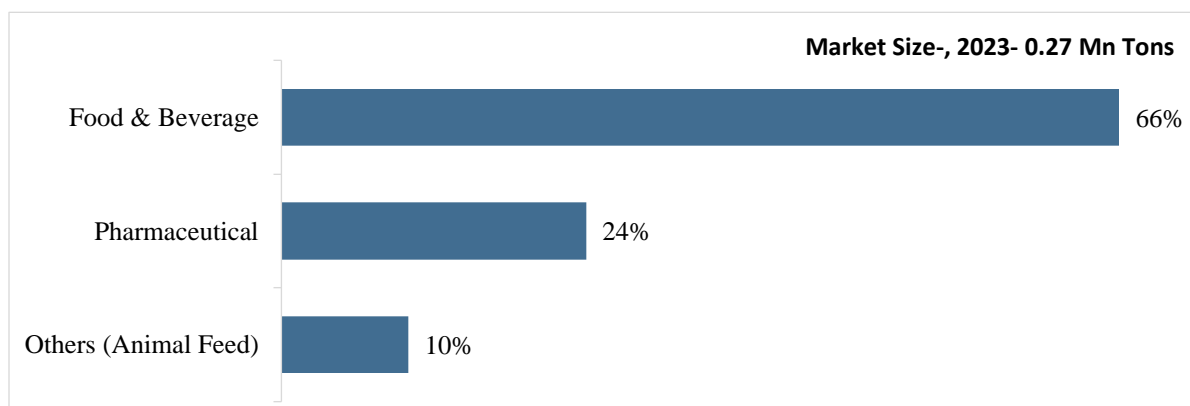


Source: Frost & Sullivan Primary Research & Analysis

Maltodextrin is commonly used as a food additive and is present in various packaged foods such as seasonings, cereal, potato chips, desserts, soups & sauces, canned fruits, snacks, spice mixes, baked goods, instant pudding, salad dressings, nutrition bars, sauces, yogurt, sugar-free sweeteners, cake mixes, and meal replacement shakes among others.

In tablet manufacturing Maltodextrin is used as a direct tablet excipient. As a fat replacer it is used in manufacturing of ice-creams, salad dressings and desserts. Other uses include oil well drilling fluids and other niche industrial applications. Key end users in India include- Zydus, Nestle, Danone, P&G and Wockhardt among others.

India Maltodextrin Powder Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

Approximately 60-65% of production is undertaken for regular maltodextrin followed by low DE maltodextrin. Low maltodextrin used in India is imported. Other maltodextrin demand is mostly filled by Indian producers. It is available in 25- 50 Kg HDPE bags with the inner liner of LDPE & 25 kg Kraft Multiply Paper Bags.

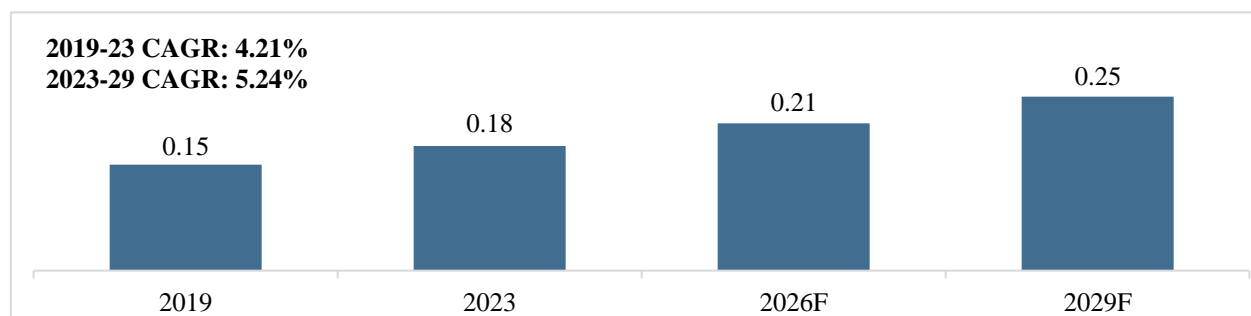
Major players in maltodextrin market in India are Blue Ocean Biotech, Blue Kraft Agro, Sanstar Ltd, Cargill India, Gujarat Ambuja, Gulshan Poly, Roquette India, Sahyadri Starch, ShreeGluko Biotech and Sukhjit Starch.

Indian Dextrose Monohydrate Market

Dextrose Monohydrate (D-glucose) is a sugar that's a stable, odourless, white crystalline powder or colourless crystal. Dextrose Monohydrate is moderate in sweetness which is 65-70% sweet as sucrose. In its pure form, it has a dextrose equivalency (DE) of 100, which indicates that it's 100% pure Dextrose, not a mixture with other substances as well. It is freely soluble in water at room temperature and also in boiling alcohol. It has a greater depression of freezing point than that of cane sugar which helps in a smoother and creamier texture of frozen food products.

The India dextrose monohydrate market was valued at USD 97.7 Mn in 2023 and is forecasted to expand at a CAGR of 5.82% to reach valuation of USD 137.2 Mn by 2029. In volume terms the market was around 0.18 Mn MT in 2023 and will grow to 0.25 Mn MT recording a CAGR of 5.24%.

India Dextrose Monohydrate Market, Mn Tons, 2019-2029F



Source: Frost & Sullivan Primary Research & Analysis

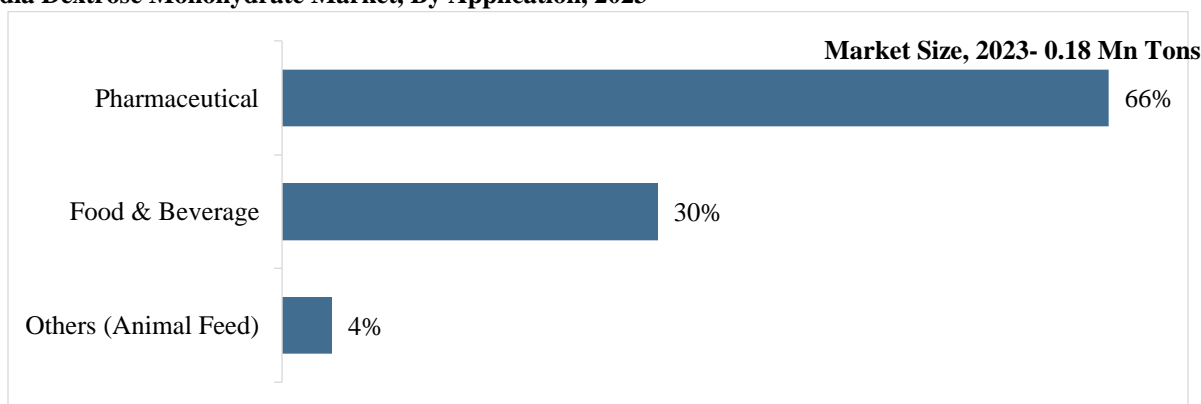
In pharmaceutical application, Dextrose serves to replenish lost nutrients and electrolytes. The agent provides metabolic energy and is the primary ingredient in oral rehydration salts (ORS) and is used in intravenous (IV) fluids to provide nutrients to patients under intensive care who are unable to receive them by the oral route. Solutions containing dextrose restore blood glucose levels, provide calories, may aid in minimizing liver glycogen depletion and exerts a protein-sparing action.

Strong demand from Food and beverage industry is fuelling the growth of market. It is used in bakery products such as breads and buns to supply fermentable carbohydrates for raising the products. In biscuits, it is used as sucrose replacement for cream fillings and fondants as it gives smooth texture to product. Large volume pf application of Dextrose Monohydrate is in confectionaries for sweetening and coating, chewing gum and bubble gum as it helps to improve gloss and colour. It also imparts whip ability and sweetness in applications like nougat and marshmallow. It is also used in frozen desserts to control ice crystal formation.

To make food products more shelf stable, manufacturers of beverages, confectionary, and bakery goods are focusing on natural ways to keep their portfolios fresh for a longer amount of time. Dextrose made from natural ingredients plays a crucial part in the preservation process as it does not hydrolyse in the same way as sucrose does, allowing many food products to have a longer shelf life.

Dextrose monohydrate is also used in canned fruits and vegetables for controlling preserving and sweet properties. It is also used for its high fermenting and low-calorie ability in alcoholic beverages.

India Dextrose Monohydrate Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

Major players in dextrose monohydrate market are Cargill, Bluecraft Agro, Sanstar Ltd, Gujarat Ambuja Exports, Sayaji maize products, Roquette and Sukhjit starch products

Indian Dextrose Anhydrous Market

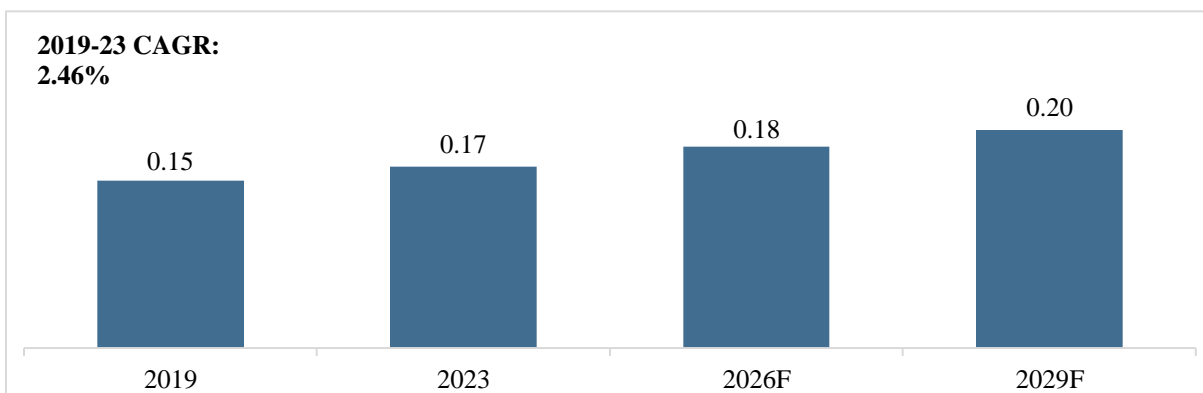
Dextrose is a simple sugar, which is remarkably like glucose or blood sugar. With the hydrolysis of starch, dextrose is industrially extracted whereas naturally it is extracted from the fruits.

Dextrose is developed during the process of photosynthesis from carbon dioxide and water and is prepared by plants and algae. Dextrose is primarily employed as a sweetener. It is purified and crystallized D-glucose and the total solids content is not less than 98.0 percent m/m. It has a glycaemic index of 100%.

Anhydrous Dextrose is the anhydrous form of D-glucose, a natural monosaccharide and carbohydrate. It is majorly used in nutrition supplement and as sweetener in food & beverage industry. Apart from food, it is also used in animal nutrition and pharmaceutical industry. It is also used in infant formula to improve nutrition value.

The India dextrose anhydrous market was valued at USD 74.9 Mn in 2023 and is forecasted to expand at a CAGR of 3.71% to reach valuation of USD 93.2 Mn by 2029. In volue terms the market was around 0.17 Mn MT in 2023 and will grow to 0.2 Mn MT recording a CAGR of 3.31%.

India Dextrose Anhydrous Market, Mn Tons, 2019-2029F

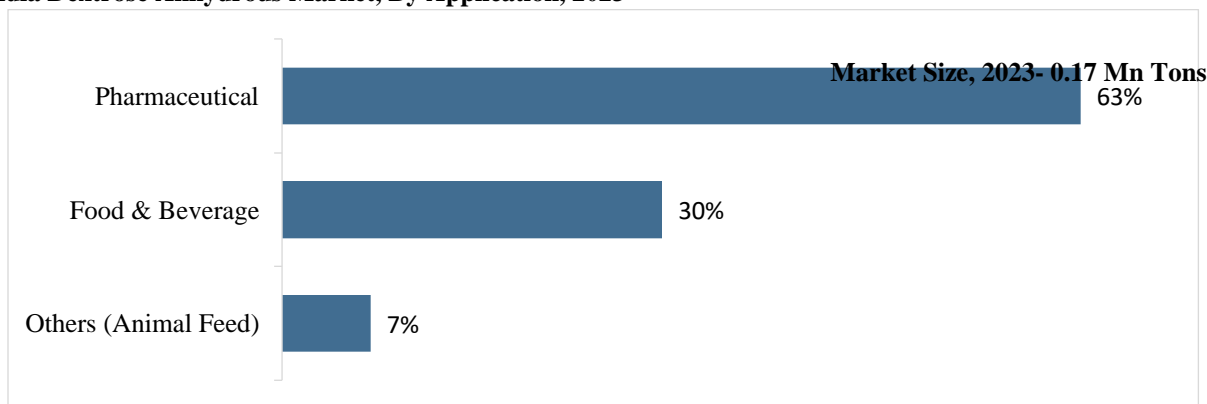


Source: Frost & Sullivan Primary Research & Analysis

Dextrose Anhydrous can be used in a wide variety of industries including pharmaceutical, food and beverage products and animal nutrition. Dextrose Anhydrous has a wide application in pharmaceutical products by way of Excipient as filler or binder. It is purified and crystallized D-glucose which is directly absorbed into blood. It is used for oral ingestion for enhancing nutrition in patients. It is also widely used in human infusion and injection. It is also used as fillers, diluents & binders for tablets, capsules, and sachets. Dextrose anhydrous can provide benefit to swallowable tablets, chewable tablets, effervescent tablets, and medicated confectionaries. As Parenteral Aids / Vaccine Adjuvants it is Suitable for use in cell culture applications.

In food industries, dextrose anhydrous can be used as sweetener in candies, gums, baked goods, ice-creams, frozen yogurts, canned foods, cured meats etc. It is also used in energy drinks, low calorie beer products to reduce source of calories.

India Dextrose Anhydrous Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

Sukhjit Starch Products, Gujarat Ambuja Exports, Sayaji maize products and Tirupathi Starch Products are some of the major producers of dextrose anhydrous.

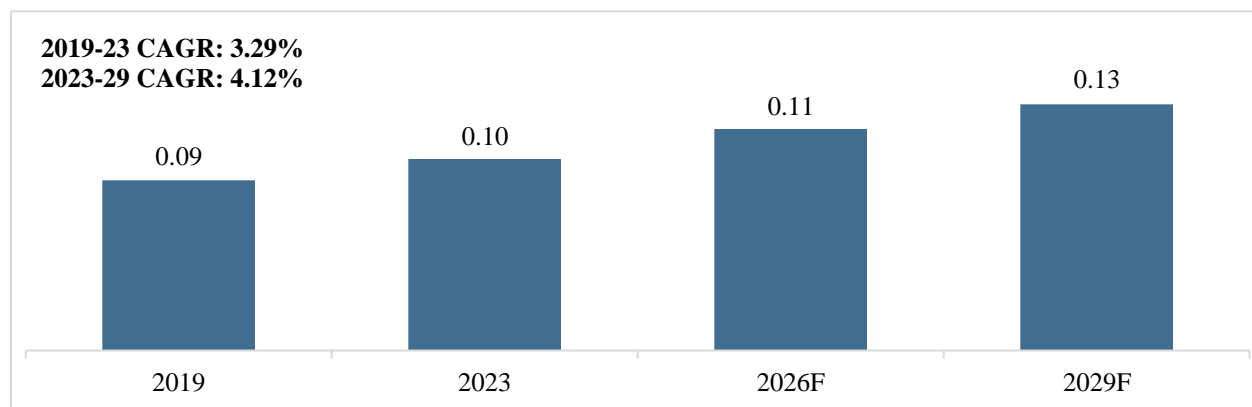
Indian Liquid Sorbitol Market

Sorbitol is a sugar alcohol and is identified as a potential key chemical intermediate from biomass resources. It is used as sweetener, humectant, sequestrant, texturizer, stabilizer, and bulking agent in various industries such as food & beverage, pharmaceuticals, cosmetics & personal care, etc.

The India liquid sorbitol market size was valued at USD 61.2 Mn in 2023 and is projected to reach USD 80.7 Mn by the end of 2029, exhibiting a CAGR of 4.72% in the forecast period 2023-2029. In volume terms the market was around 0.10 Mn MT in 2023 and will grow to 0.13 Mn MT recording a CAGR of 4.12%.

The increasing adoption of diabetic and dietetic food and beverages, the rising product demand as a substitute for sugar, the growing product utilization in oral care products, and the escalating demand from the food and beverage industry for nutritive sweeteners are some of the major factors propelling the market.

India Liquid Sorbitol Market, Mn Tons, 2019-2029F



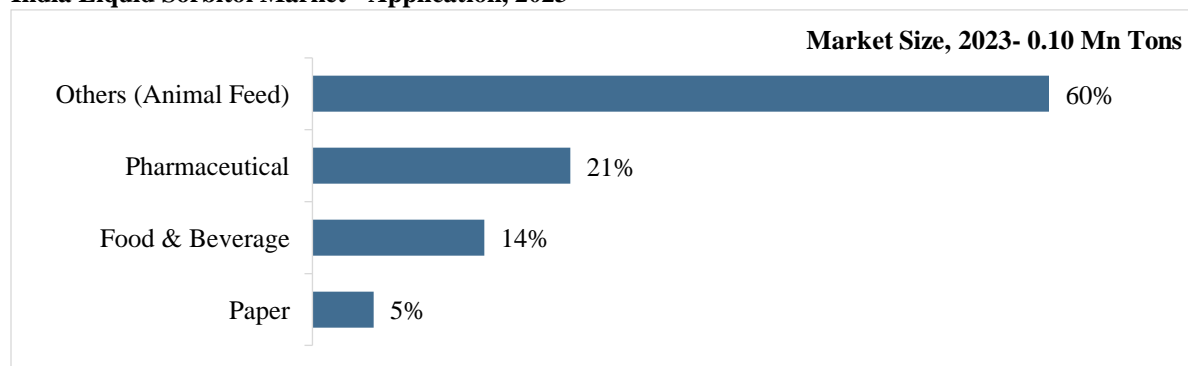
Source: Frost & Sullivan Primary Research & Analysis

It is derived from glucose and has a sweet taste with about 60% of the sweetness of sucrose (table sugar). One of the key characteristics of sorbitol is its ability to attract and retain moisture. It is commonly used as a humectant in food products to prevent them from drying out while maintaining their freshness. It also acts as a thickening agent in certain food formulations, enhancing their texture and mouthfeel.

It is widely used in the pharmaceutical industry as an excipient in producing tablets, syrups, and other oral medications. It helps improve the taste, stability, and palatability of these products. It also finds extensive applications in oral care products, such as toothpaste and mouthwash. Sorbitol is known for its low-calorie content, making it a popular choice in sugar-free or reduced-sugar products. It provides sweetness without the same caloric impact as regular sugar, making it suitable for individuals with diabetes or those intending to reduce their caloric intake. Additionally, it is used to produce cosmetics, personal care products, and certain types of paper.

Companies such as Unilever, Patanjali, Wipro and Colgate are the major end use consumers for sorbitol. It is also used in papers, explosives, tobacco and mortar & concrete industry to some extent.

India Liquid Sorbitol Market - Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

The market in India is majorly driven by the increasing awareness of sugar-related health issues. This can be attributed to the escalating demand for low-calorie alternatives. In line with this, India has a significant diabetic population, and sorbitol's low glycaemic index makes it a suitable sweetener for diabetic-friendly products. Furthermore, the expanding food and beverage industry is significantly contributing to the demand for sorbitol as a sweetener and ingredient in various products. In addition to this, the confectionery industry is also witnessing considerable growth.

Some of the other factors driving the market include the rising disposable incomes of the consumers, export potential of sorbitol-based products from India, growing demand for functional foods and wellness-oriented products, rapid expansion of organized retail and e-commerce platforms, and ongoing research and development activities focusing on sorbitol applications and production techniques.

Increasing government initiatives and subsidies: The Indian government plays a significant role in driving the growth of the sorbitol market through various initiatives and subsidies. The government's focus on promoting the food processing industry and encouraging investments in the sector benefits the sorbitol market. Numerous initiatives such as the Food Processing Fund, support and incentivize companies involved in producing food ingredients like sorbitol and processing sorbitol-based food products. These initiatives help attract investments, foster innovation, and create a favourable business environment for sorbitol manufacturers across the country. The availability of government subsidies, tax incentives, and infrastructure support further drive the growth of the sorbitol market in India.

Rising awareness regarding oral health among the consumers: Growing awareness regarding oral health and hygiene among consumers in India is contributing to the demand for sorbitol-based oral care products. Sorbitol's ability to act as a humectant and enhance the mouthfeel of oral care products makes it a preferred ingredient in toothpaste, mouthwash, and other dental formulations. Consumers are becoming more conscious of the benefits of using oral care products that contain sorbitol, such as improved plaque control, fresh breath, and reduced risk of dental caries. The dental industry's emphasis on preventive oral care and the recommendation of sorbitol-based products by dental professionals drive the growth of the sorbitol market in India.

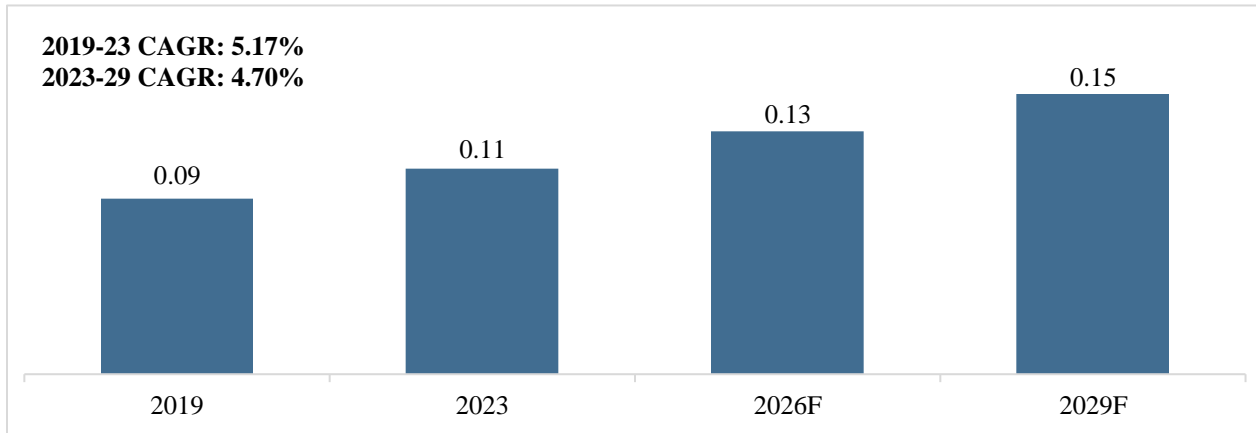
Expansion of the personal care and cosmetics industry: India's personal care and cosmetics industry is experiencing significant growth, driven by increasing disposable income, changing consumer lifestyles, and a focus on personal grooming. Sorbitol has applications in various personal care and cosmetic products due to its moisturizing and skin-conditioning properties. It is used in lotions, creams, moisturizers, and hair care formulations. As the need for personal care and cosmetic products continues to rise, the demand for sorbitol as an ingredient in these formulations also increases. The expansion of the personal care and cosmetics industry and the introduction of new and innovative sorbitol-based products contribute to the growth of the sorbitol market in India. Roquette, Cargill, Ingredion, ADM, Gulshan Polyols are some of the major players in sorbitol market.

Indian Dried Glucose Solids (Powder) Market

The glucose market is segmented based on form – Syrups (Liquid) and solids (Dried). The liquid segment held the majority of share in 2023. Dried glucose, also known as spray dried glucose syrup, is a powder form of glucose syrup that is produced by rapidly drying a liquid glucose solution. Dried glucose solids are Ideal bulking agent and drying carrier, Moisture Conditioner, Crystallization Inhibitors, Stabilizers, among others.

The India glucose solids market size was valued at USD 64.6 Mn in 2023 and is projected to reach USD 82.3 Mn by the end of 2029, exhibiting a CAGR of 4.12% in the forecast period 2023-2029. In volume terms the market was around 0.11 Mn MT in 2023 and will grow to 0.15 Mn MT in 2029 recording a CAGR of 4.7%.

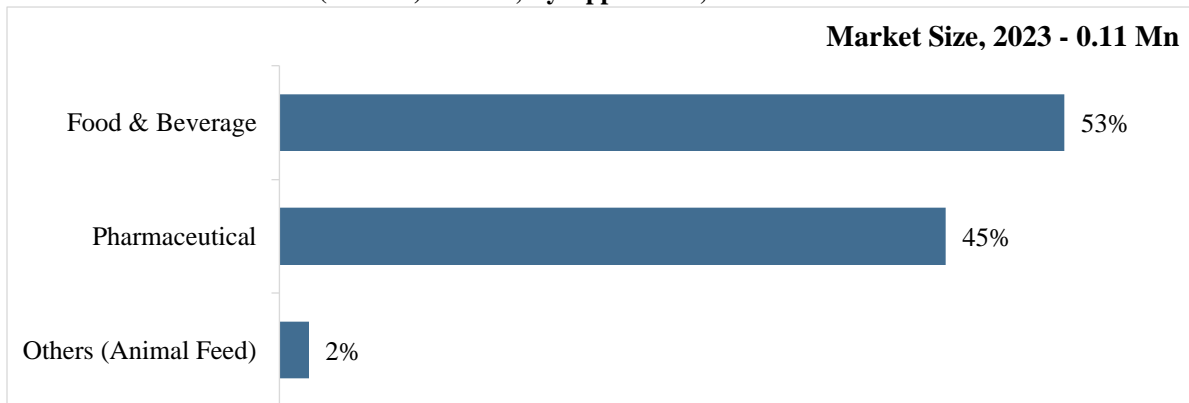
India Dried Glucose Solids (Powder) Market, Mn Tons, 2019-2029F



Source: Frost & Sullivan Primary Research & Analysis

It is a widely used ingredient in various food and beverage products as a sweetener, texture enhancer, and moisture control agent. Dried glucose syrup is soluble in water and has a longer shelf life compared to liquid syrup. The increasing demand for convenience foods and processed snacks is driving the growth of the market.

India Dried Glucose Solids (Powder) Market, By Application, 2023



Source: Frost & Sullivan Primary Research & Analysis

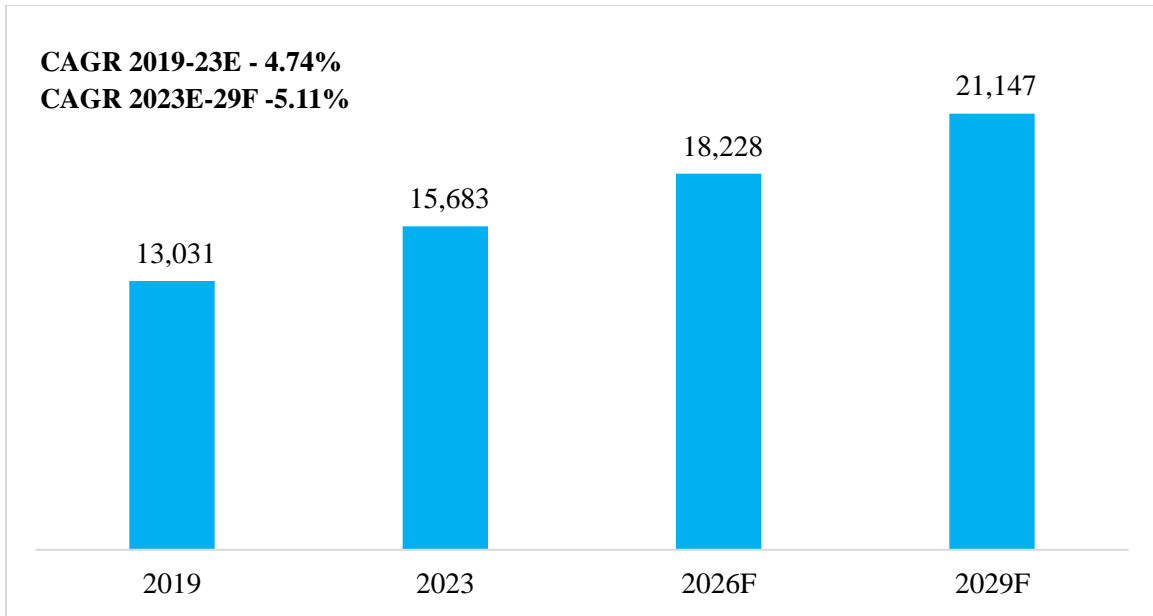
Modified Maize Starch & Value-Added Products Industry Overview

Global Modified Starch Market

Starch holds an important place among the flexible food ingredients that provides value addition for several industrial applications. Many of its chemically modified derivatives offers high technological value in both food and non-food applications. Modified starches are designed to overcome the shortcomings of native starches such as loss of viscosity and thickening power upon cooking and storage, particularly at low pH, retrogradation characteristics, syneresis, etc.,

The global modified starch market is estimated at USD 15,683 million in 2023 growing at an estimated CAGR of 5.11% through 2023-2029. Modified starch has numerable specific applications resulting in higher efficiency and better quality of end products. Usage of modified starch in the manufacturing of ethanol and packaging industry is driving the demand for modified starch. In the paper industry, modified starch imparts lower fiber loss, better printability. The key consideration for the growth of modified starch industry is its GMO-free nature and strong organic focus.

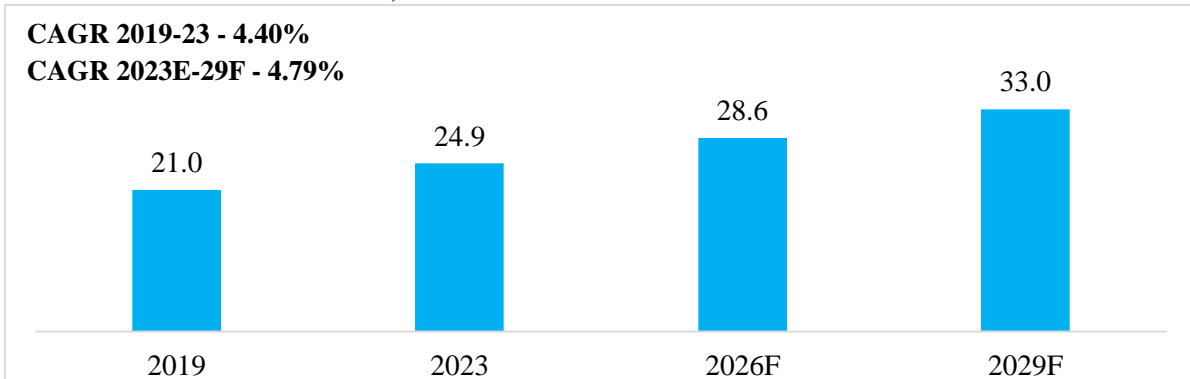
Global Modified Starch Market Size, USD Million



Source: Industry sources, Frost & Sullivan

In volume terms, the global modified maize starch market is estimated at 24.9 million tons in 2023. The market is expected to grow at a CAGR of 4.79% from 2023 through 2029.

Global Modified Starch Market Size, Million Tons



Source: Industry sources, Frost & Sullivan

Geography-wise breakup of Modified Starches Industry (volume)

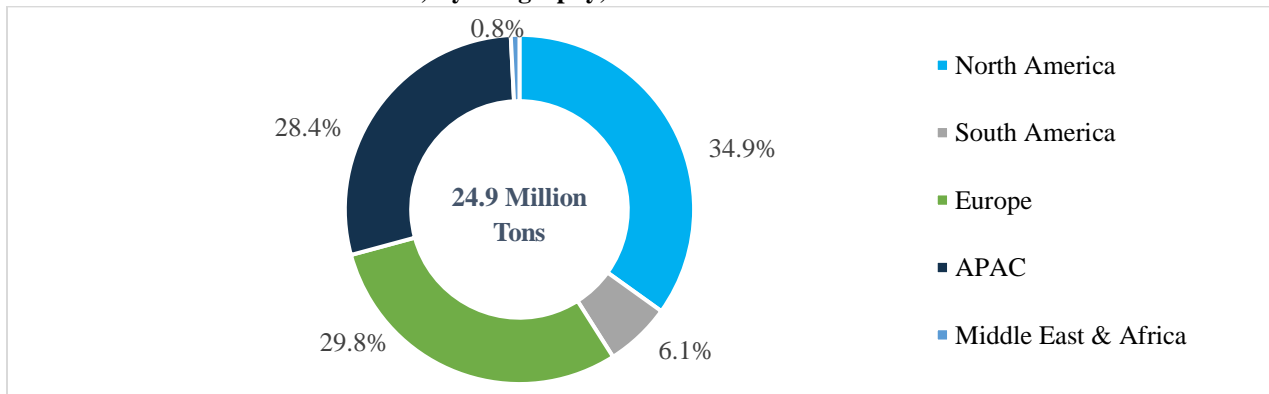
Some of the key markets in terms of production are USA., Argentina, Brazil and Ukraine. These regions put together account for ~80% of the total maize production in the world, while also holding the positions of some of the largest consumers and exporters.

North America is expected to lead the global modified starch market with share of 35% percent followed by Europe (29.8%) and APAC (28.4%) in terms of consumption. Modified starch consumption per capita has been comparably low in emerging markets, representing scope for a strong growth opportunity. Austria and Germany are the key countries in the Central and Eastern European sector while specialty markets include USA and UAE.

In the past, trade barriers had kept starch markets largely regional. Over time, trade barriers in food and food products such as that of modified starches are being reduced because of trade liberalizations and forward-looking agricultural policy reforms to promote global integration of in agricultural and food markets. Certain countries such as USA and

Thailand have a comparative advantage in commodity production. Positive policy reforms are likely to increase exports from these countries, while imports by Japan, China, and other APAC countries are likely to increase.

Global Modified Starch Market Size, By Geography, 2023



Source: Industry sources, Frost & Sullivan

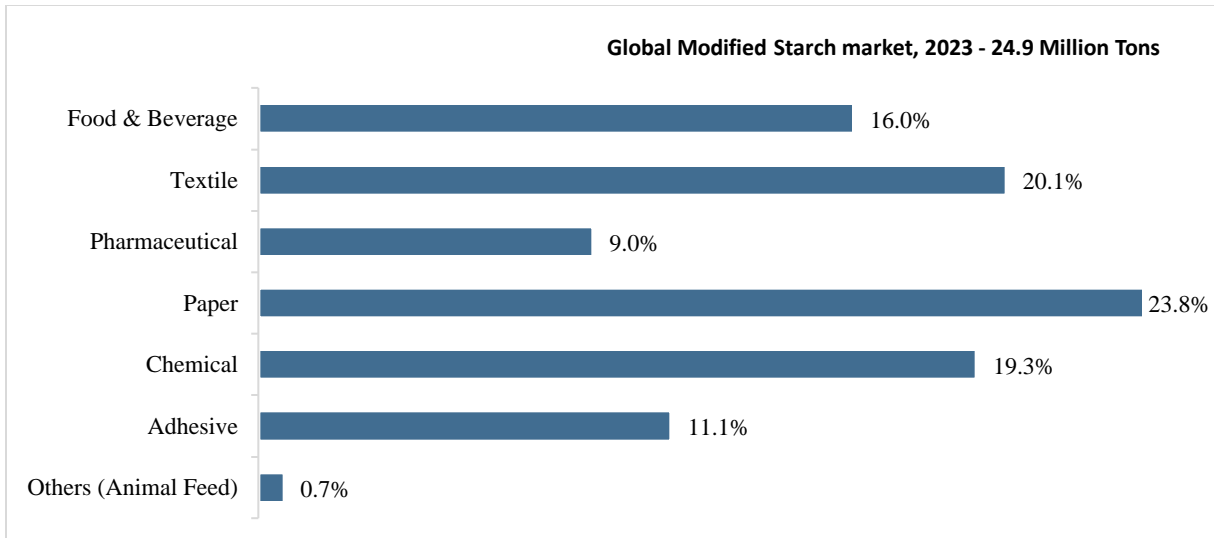
Application wise breakup of the Global Modified Starch Industry (Volume)

The food industry is very mindful of safety of chemical residues hence not all types of native or modified starches are used in the foods. Some modified starches are used as binder in assaulted foods, ready-made meat and snack seasonings. Others are used as anti-sticking agents and dustings for chewing gum and bakery products, crisping coating for fried snacks, fillers to replace fats and in sauces or creams to enhance lusciousness in ice cream and salad dressings. Modified starches are also used as flavour encapsulating agents and emulsion stabilizers in beverages. They are used as creamers, in canned foods, foam stabilizer in marshmallows, gelling agents in gum drops and jelly gum, and as expanders in baked snacks and cereal meals. Starch derived products are used for the production of animal nutrition. About 10–15% of maize produced in the US is processed annually for starch derived products by maize refiners. These starch derived products are used in across the food, beverage, healthcare, pharmaceutical and other sectors. This has a dominant multiplier effect on the United States economy.

The global Modified Starch market is driven by an increasing demand for healthy, nutritious, and convenience food products. Modified starch allows modifying of basic properties of native starch and obtaining certain functional properties to fit a wider range of industrial applications in food and beverages, paper, textile, pharmaceuticals, pet food, soap, laundry, and cosmetics industries. modified starch provides a variety of functionalities – as thickeners, texture agents, fat replacers and emulsifiers. Due to the sophisticated technology available, the ingredients can be fine-tuned to meet most formulating trials. Maize starch is also going to be an important ingredient in biodegradable plastic packaging.

The Global Modified Starch market is largely dominated by Paper, Textile and Chemical industries. Paper industries as End use Industry accounts for highest revenue share of almost around 23% and is predicted to remain stable in terms of revenue share and volume during the forecasted period. Modified starch is used in large volumes in the papermaking process. It aids in the production of paper by providing functional characteristics and acting as a processing aid for paper and pulp industry. The Paper mills use Starches derived from a variety of sources, including Waxy Maize, Regular Maize, Tapioca, Wheat, and Potato. Starch is also used as a binder in paper coating, improving the firmness and whiteness of the paper, thereby improving the printing characteristics.

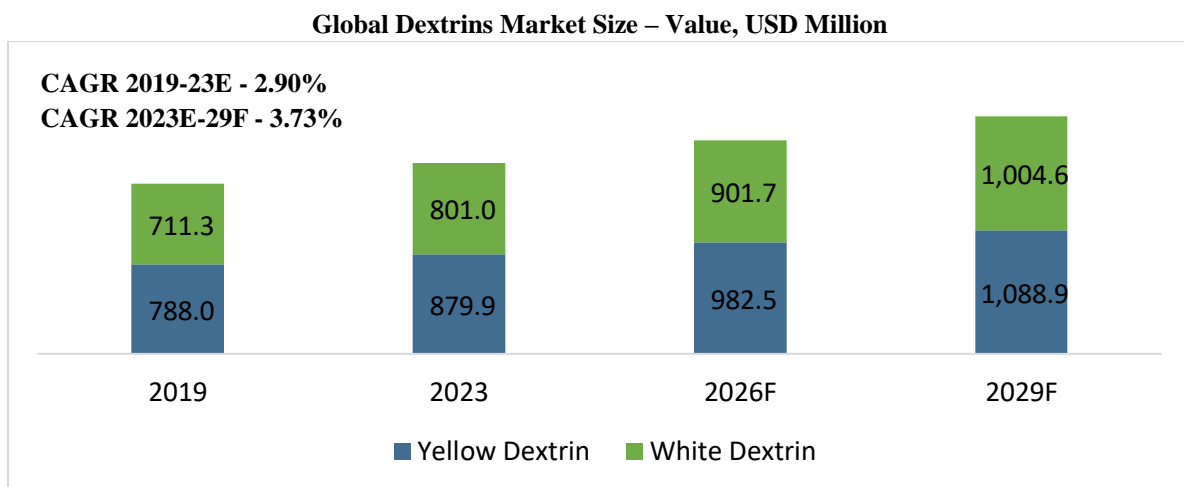
Global Modified Starch Market Size, By application, 2023



Source: Industry sources, Frost & Sullivan

Global Dextrin and Value-added Products Market

The industry produces many types of modified starches, including acid thinned (Mixed with water), oxidized, cationic, hydroxyethyl, acetate, succinate, and phosphate starches. Acid thinned starches are thinned by treatment with dilute mineral acid, resulting in pastes with decreasing viscosity. Oxidized starches have reduced viscosity due to oxidation, primarily with sodium hypochlorite. Cationic and hydroxyethyl starches are stabilized against felling by reacting with monofunctional reagents, giving the starch more strength. Hydroxyethyl starch is produced by adjusting the pH of the starch and adding a salt, increasing its stability and resulting in a clear paste. Starch acetates are produced by acetylating the slurry with acetic anhydride or vinyl acetate, reducing the tendency of the starch to congeal. Starch succinates are made by using succinic anhydride instead of acetic anhydride, thereby improving the thickening quality of the starch. Starch phosphates are produced by esterifying starch with orthophosphate or sodium tripolyphosphate to increase the stability of the starch. In addition, the starch slurry can be passed through a starch dryer and then be dry-heated or roasted, with or without an acid or alkaline catalyst, to produce dextrin. This process gives the dextrins a low viscosity, more cold-water solubility, less tendency to gel, and more reducing power than common starch, leading to the use of dextrins as adhesives.

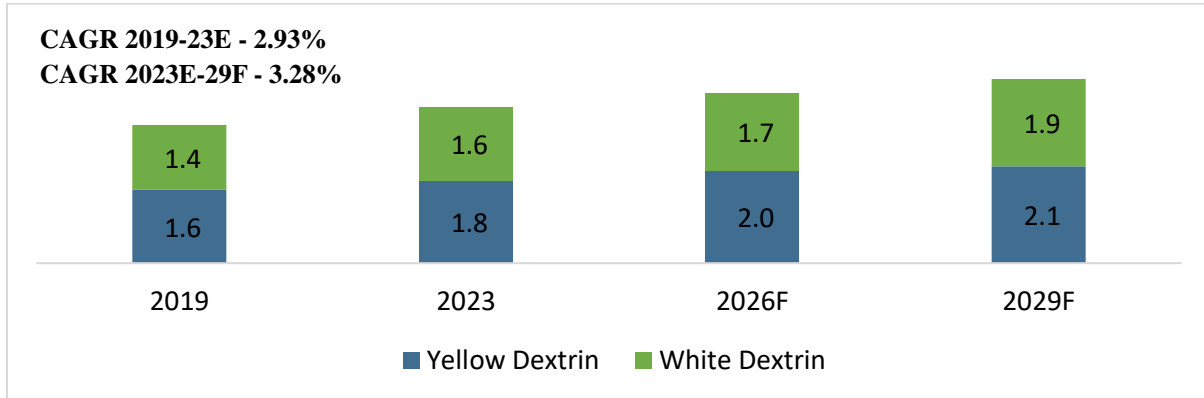


Source: Industry sources, Frost & Sullivan

Dextrin

The Global Dextrins market is estimated to be USD 1,681 million in 2023 and is expected to grow at CAGR of ~3.73% to reach USD 2,093 million in 2029. Dextrin’s are primarily made in two categories i.e., Yellow Dextrin, and white dextrin. These are mainly available in dried powdered form, which makes it easy for handling and transportation. Yellow dextrin accounted for ~53% of dextrin market with 1.8 million Tons in volume. It is majorly used as a thickener, adhesive and glazing agent in the food industry, and as a binder in paper and cardboard manufacturing. It also has applications in pharmaceutical industry, where it is used for tablet coating and as a stabilizer in emulsions. It is also used in the manufacture of paints, adhesives, coatings, and inks.

Global Dextrins Market Size – Volume, Million Tons



Source: Industry sources, Frost & Sullivan

High quality papers such as magazine covers, brochures & catalogues production used yellow dextrin not only as an aesthetic ingredient but also to provide support for glossy pages thereby enhancing the print quality. The Mining industry uses yellow dextrin as foam control agents to improve the efficiency of ore separation processes and, in the textile industry, yellow dextrin is used as blanket adhesives when screen-printing fabrics.

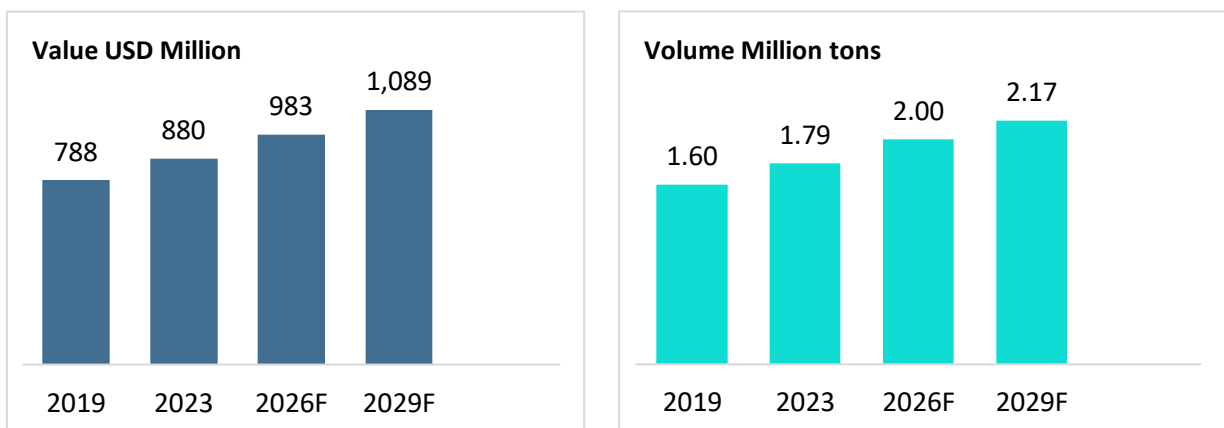
In volume terms, the Yellow Dextrin market is projected to grow at a CAGR of 3.29 % from 2023 to 2029 with volumes reaching to 2.17 million tons in 2029 from 1.79 million tons in 2023. The growth in Yellow Dextrin market is fuelled by increasing demand for food-grade and industrial-grade yellow dextrin from applications such as envelope adhesive, paper application.

Global Yellow Dextrin Market Size - Value, Volume

Value

CAGR 2019-23E - 2.80%

CAGR 2023E-29F - 3.62%



Source: Industry sources, Frost & Sullivan

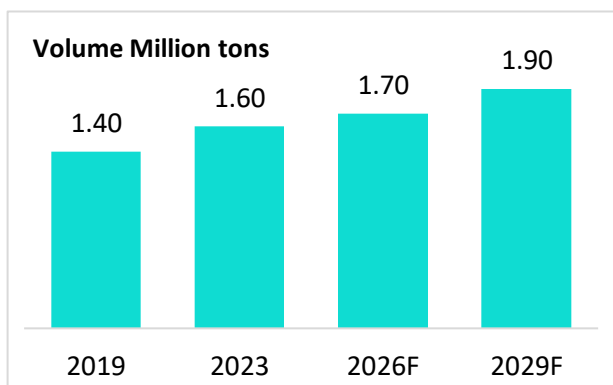
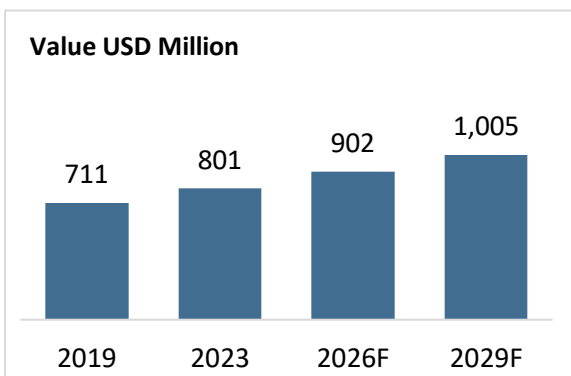
White Dextrin is used extensively in making adhesives for paper converting. It is mostly employed with starches and ingredients such as alkaline materials, borax, fillers, latices, resins, salts, and defoamers. The Global market for White Dextrin was valued at USD 801 Million in 2023 and it is projected to reach USD 1,004.6 Million by 2029, expanding at a CAGR of 3.85% during the forecast period.

Global White Dextrin Market Size - Value, Volume

Value

CAGR 2019-23E – 3.01%

CAGR 2023E-29F - 3.85%



Source: Industry sources, Frost & Sullivan

White dextrin is especially useful in paper sizing when thin viscosities are required. White dextrin also has its applications as dough improvers in baking of breads and rolls. They are also added to increase the crispness of batters for breading fish and poultry. Some of the key players in the Yellow and White Dextrin market are Agrana, Tate & Lyle, Cargill, Sunar group, and Roquette.

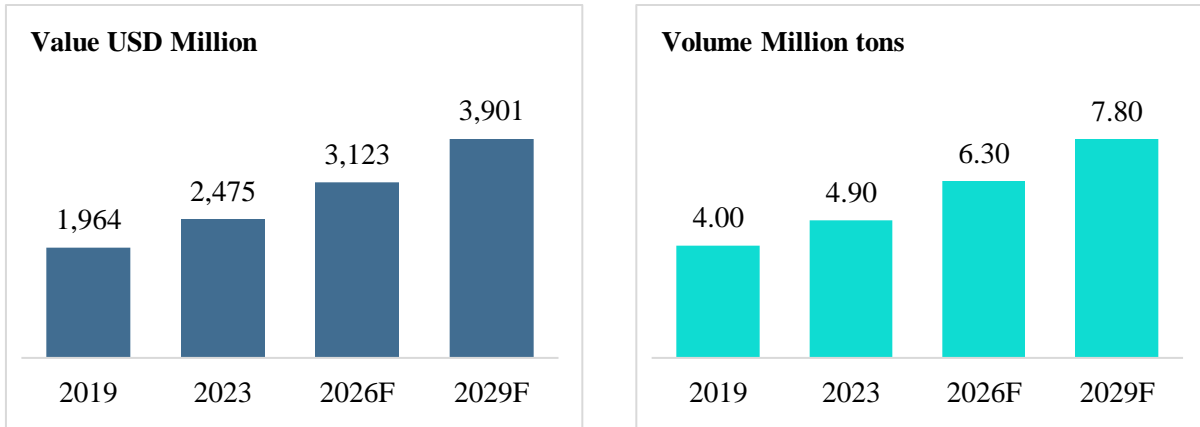
Maize Flour: - In value terms, the Maize Flour market is estimated to grow at a CAGR of 7.88 % between 2023 and 2029 owing to growth in bakery industry, ready to eat products and increasing demand from developing markets. The size of the market in 2023 was USD 2,474.5 million and is forecasted to reach USD 3,901.3 million by 2029. The market for Maize flour is highly unorganised in Asian countries whereas North America and Europe’s market is dominated by players like Cargill, Bunge, and ADM. Many retailers and supermarkets sell their products under private labelling which increases the profitability as these products are priced lower than the branded products. This increases chances of price sensitive customers buying the private labelled products. Cargill and Bunge have Maize Flour product portfolio which wide selection of products and granulations for use in chips, taco shells, tortillas, and other innovative snacks. ADM sells coarse, medium and fine maize flour which can be used for extrusion, bakery products, breads, batters and dusting. ADM also has pregelatinized maize flour in their product portfolio. Gruma has maize flour brands- Maseca, Masa Rica, Tortimasa with its presence in Latin America, North America, Europe, Middle East, Africa, Asia and Oceania. International Grains and Cereal has Maize Flour brand named P.A.N which is popular across USA. Bob's Red Mill Natural Foods offers 100% stone ground maize flour. Semmo Milling has yellow maize flour in their product portfolio. Associated British Foods Plc. through its company Westmill sells maize flour with Green Dragon brand name.

Global Maize Flour Market Size - Value, Volume

Value

CAGR 2019-23E - 5.95%

CAGR 2023E-29F - 7.88%



Source: Industry sources, Frost & Sullivan

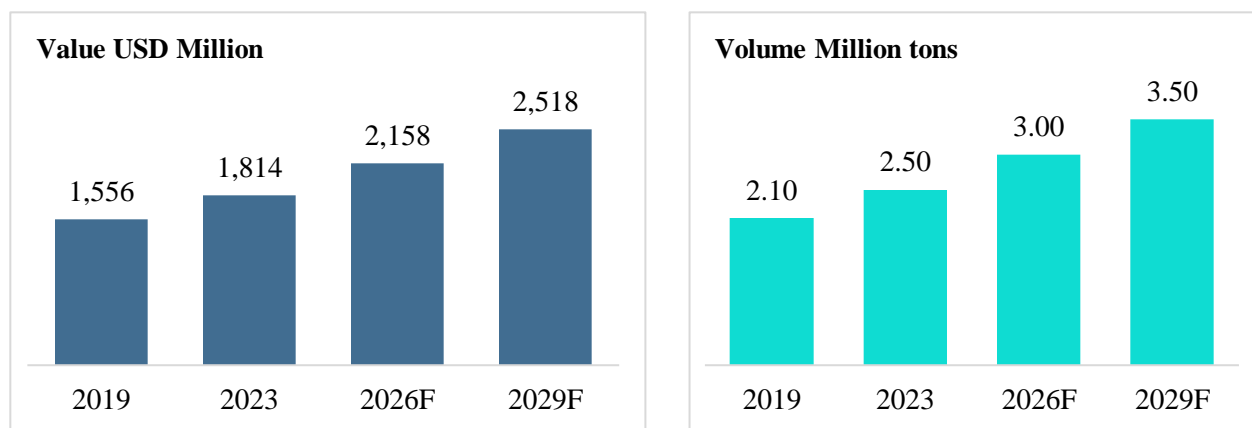
Baking Powder: Baking Powder consists of baking soda, an acid salt, and Maize Starch. It is used to leaven baked goods by reacting with the acidic components in the dough or batter to produce carbon dioxide gas bubbles which expand during baking and make the baked goods rise and become light and fluffy. Baking powder is essential ingredient in cakes, breads, tarts, pastries, and biscuits. In value terms, the global Baking Powder market is projected to grow at a CAGR of 5.62% from 2023 to 2029. The growth is attributed to the increasing demand for bakery products, especially in developing countries. Baking powder can be segmented based on – phosphorus, anhydrous phosphorus, sodium aluminium sulphate phosphate, tartrate, aluminium free and phosphate free. The phosphate-based segment is projected to dominate the baking powder market owing to its high leavening power and good volume stability.

Global Baking powder Market Size - Value, Volume

Value

CAGR 2019-23E - 3.92%

CAGR 2023E-29F - 5.62%



Source: Industry sources, Frost & Sullivan

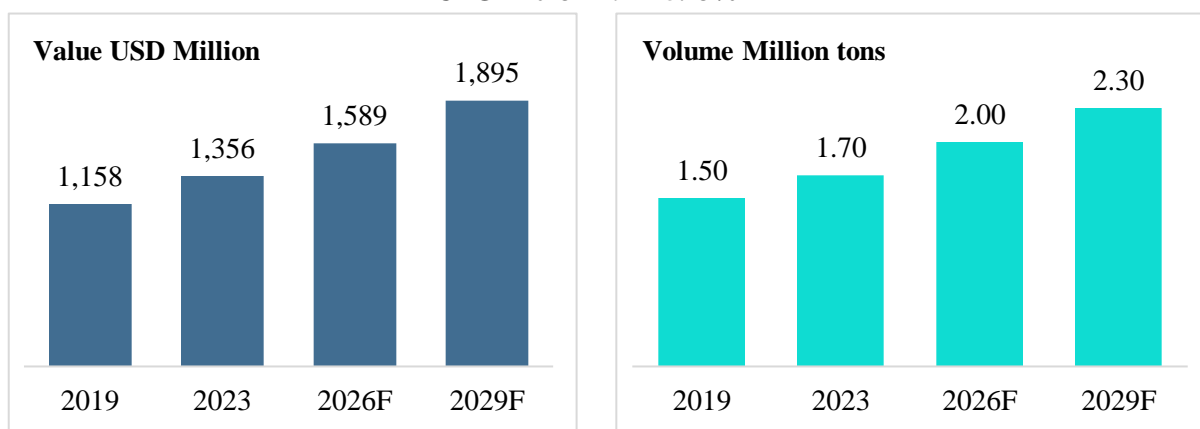
Custard Powder: - Custard powder has replaced the conventionally used egg for custard preparation. Global custard powder market was valued at USD 1,356.1 million in 2023 and is expected to grow at CAGR 5.73% till 2029. Manufacturers are offering variety of flavours and types in custard powder which include baked custard, stirred custard, refrigerated custard, Ultra Heat-Treated custard, rose flavoured, vanilla flavoured, pista flavoured, chocolate flavoured and so on. Swiss Bake, GD Foods, Premier Foods, Kraft Foods, Pillsbury, Goodman Fielder ITN Food Corporation, Well and Good Pty Ltd. Unilever Food Solutions are some of the key players in custard powder industry.

Global Custard Powder Market Size - Value, Volume

Value

CAGR 2019-23E - 4.02%

CAGR 2023E-29F - 5.73%



Source: Industry sources, Frost & Sullivan

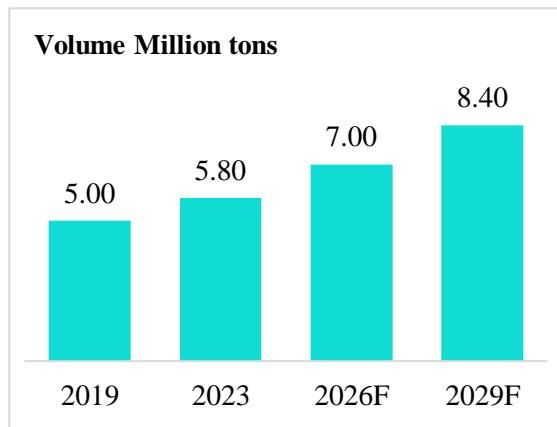
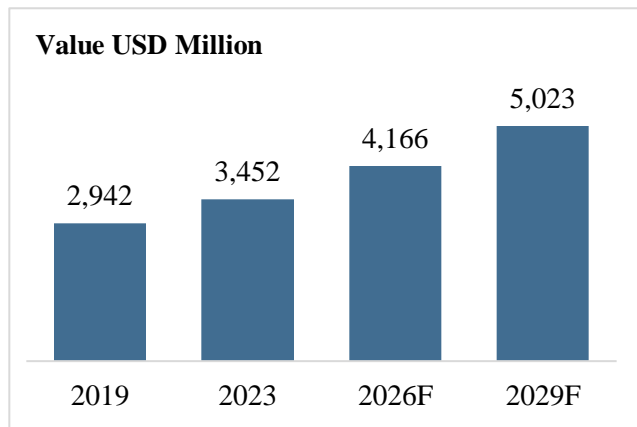
- A. Icing Sugar:** Icing sugar also known as confectioners' sugar is finely ground sugar produced by milling granulated sugar into a powdered state. Its fine nature makes it suitable for bakery and confectionary applications. It is majorly used for preparing frosting and icing on baked items, desserts, and sweets. The global icing sugar market was valued at USD 3,449.2 million in 2023 and expected to grow at CAGR 6.69% till 2029. Need of fine texture in food, increasing demand for confectionary on account of growing population growth will cushion the growth of the icing sugar market. Major players in global icing sugar industry are Associated British Foods Plc, Sudzucker group, Tate Lyle Plc, Thai Flours, Indiana Sugars, NZ sugar company.

Global Icing Sugar Market Size - Value, Volume

Value

CAGR 2019-23E - 4.08%

CAGR 2023E-29F - 6.45%



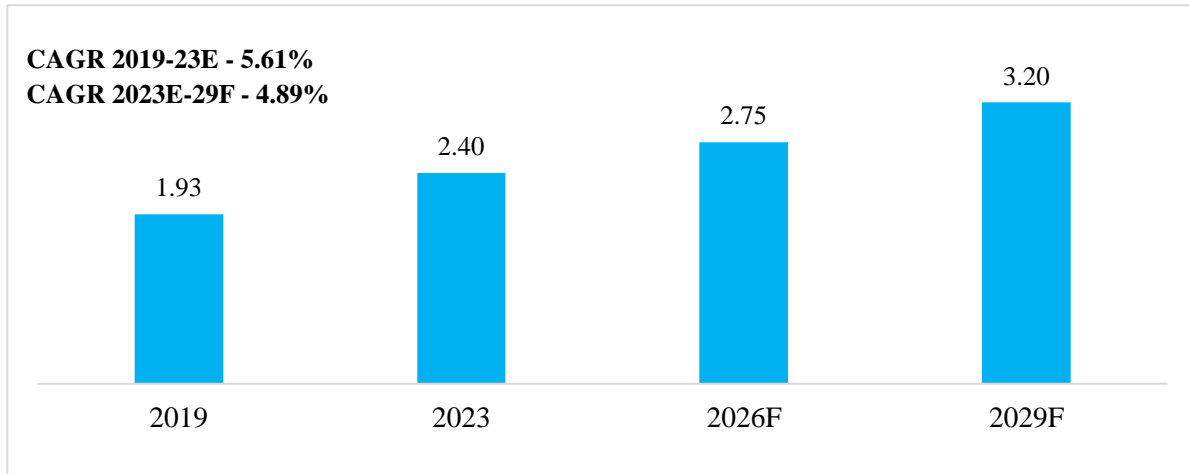
Source: Industry sources, Frost & Sullivan

Indian Modified Starch Market

The Indian Modified Maize Starch Market has witnessed significant changes in the past few years. The industry outlook looks promising for coming years as many manufacturers are investing in the modified starch value line. Modified starch usage is listed in chemicals considered emulsifiers, thickeners, and stabilisers under Food Safety and Standards Authority (FSSAI). When modified starches are added to food, they act as emulsifying and stabilising agents, which means they facilitate uniform dispersion of oils and fats in aqueous media or vice versa and/or stabilising the resultant emulsions. Modified maize starches are preferred because they overcome shortcomings of native starches such as loss of viscosity/thickening power upon cooking and storage and retrogradation characteristics. Modified starches greatly affect the textural features of these snacks, including crispiness, uniformity, and puffing. The awareness level of modified starch usage in food products is increasing steadily in India.

The Indian market for Modified Maize Starch was valued at USD 1,224 Million in 2023 and is expected to reach USD 1,731.3 Million in 2029. Though the pace of growth is quite good, Indian market is very price-sensitive market, cost is a significant criterion while choosing suppliers as it has a domino effect on the price of the end-product.

Indian Modified Maize Starch Market Size, Million Tons



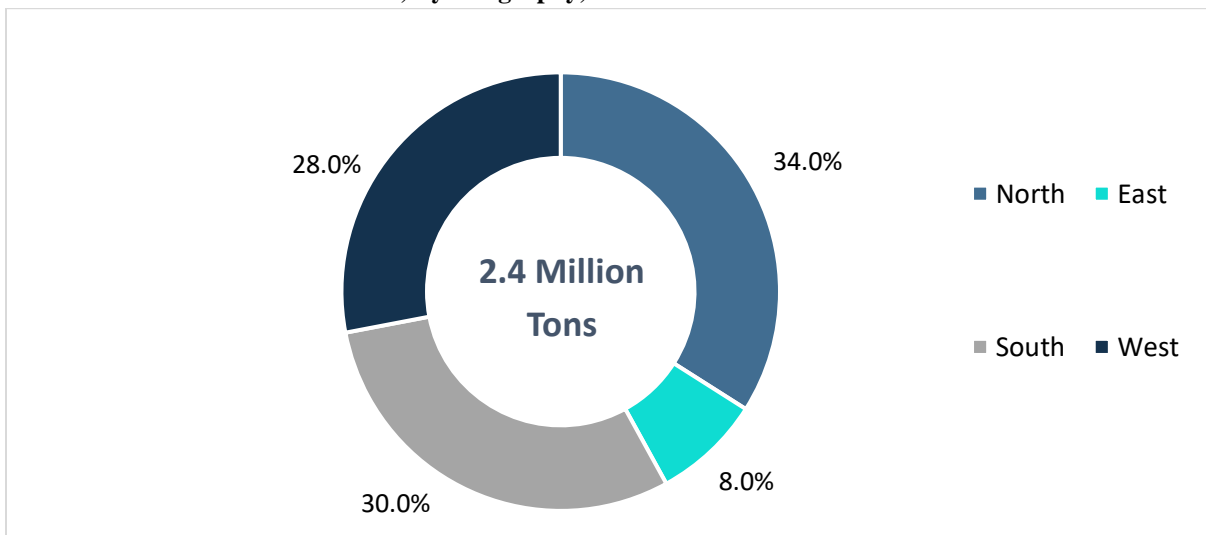
Source: Industry sources, Frost & Sullivan

The recent change in regulation of Modified Starch i.e., dosage in processed foods can be considered under GMP (Good Manufacturing Practice) by the producer instead of the earlier dosage limit of 0.5% has not only increased the dosage of the ingredient in current applications but also paved the way for new applications, which has positively affected Indian starch demand in recent years.

Geography-wise Breakup of the Indian Modified Starch Industry

The consumption in India is nearly one fourth in comparison to China, thereby indicating enormous scope of growth.

Indian Modified Starch Market Size, By Geography, 2023E



Source: Industry sources, Frost & Sullivan

Application wise breakup of the Indian Modified Starch Industry (Volume)

Industrial sectors which are demand driver for the starch industry are doing extremely well & expected to continue the uptrend in 2023. Modified Starch is majorly used in Paper industry, Textile industry and Food and beverage industry. The demand for modified starches in different food and beverage segments is expected to grow rapidly in

coming years. Sauce, salad dressings, and spreads are key end sectors for modified starch, accounting for more than 35-40% of modified starch demand and are expected to fuel demand of specifically modified starches. Next emerging segment is bakery and snacks. Modified starch is used to provide the desired hardness to cookies and impart texture and stability for bars. Thus, the demand for modified starch in snack preparation has been significantly growing. Also, other key food applications for Modified Starch are processed meat, spice mix, etc. Other minor sectors such as dairy, confectionery, food service, noodles, RTE, and beverages are trying modified starches for its various applications.

Modified Maize starch is also widely used in the paper industry which give good quality final product along with efficiency in production. They are used in different stages of manufacturing such as wet end, spraying, surface sizing, etc. Usage of oxidized maize starch- type of modified starch is increasing in pharmaceutical and nutraceutical industry. It is well known as a disintegrant filler and binder in dosage forms. It is used in a variety of dosage forms including swallowable tablets, hard capsules, blends, granules, and pellets premix. Manufacturers such as Roquette and Cargill offer a whole range of modified starches to meet the adhesive industry's needs.

Pharmaceutical Industry

- Dusting media for various type of coating as well as binder & filler for capsules & tables
- An efficient dry – binder in dry granulation techniques

Textile Industry

- Provide stiffness & add weight to clothes.
- Used in conjunction with thermoplastic or thermosetting resins to obtain a permanent finish.

Paper Industry

- Used for sizing as well as to increase the paper strength.
- An adhesive in pigmented coating for paper and paper board to enhance the printability and appearance of the paper.

Food Industry

- Used for thickening sauces, gravies, puddings, and pie fillings.
- Numerous applications in baking industry, provides strength to ice cream cones.
- Ketchup - As a thickener Soups, As a thickener Sauces Improves appearance.
- Mayonnaise - As a thickener
- Noodles - Increases viscosity, consistency, mouthfeel.

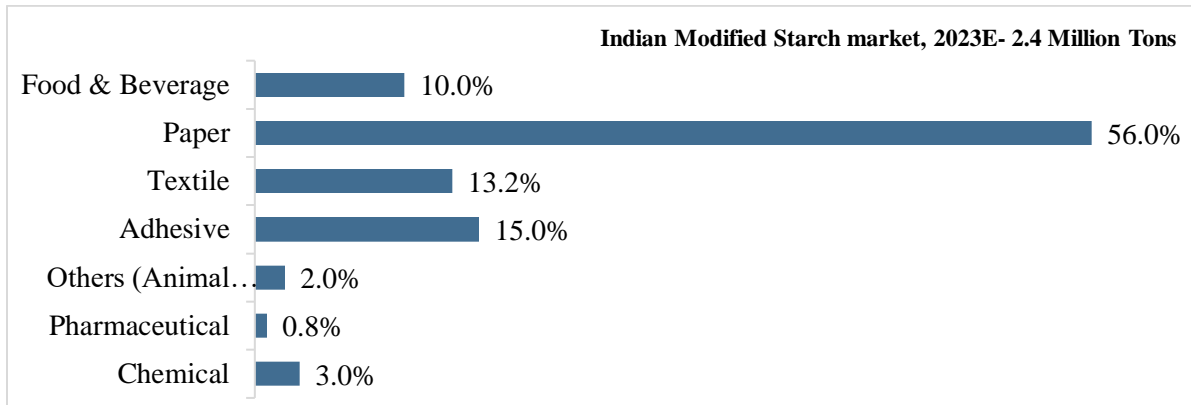
Subproducts

- **Baking**
 - Maltose - Improves moisture retention and colour control.
 - Dextrose - Improves crust and dough properties.
 - Low fat foods as a sweetener

Beverages - Beer Maltose - HFS is an excellent fermentation substrate.

- **Soft drinks** IIFCS DE 42 and DE 55 are used as sweeteners.
- **Alcohol** Very high DC glucose syrups are used as fermentation boosters.

Indian Modified Starch Market Size, By application, 2023



Source: Industry sources, Frost & Sullivan

Indian Dextrin and Value-Added Products

B. Dextrin

Dextrins are majorly used for their coating, adhesive and binding properties in Indian market. Textile and Paper industries in India use dextrin’s on large scale followed foundries and firework industry.

White Dextrin Powder is used as coating and finishing agent which helps to increase weight and stiffness of fabrics. It is also used as a carrier in colour and dyes industries. In paper industry when thin viscosities are required, white dextrin is used. White dextrin is also used as carbohydrate nutrient sources in the preparation of certain antibiotics by fermentation. It is also used in biscuit industry to enhance the shelf life and crispiness. It can be used as an active ingredient in food flavours.

The Indian market for Yellow Dextrin is valued at USD 41.3 Million and is anticipate to grow at CAGR 3.39% till 2029. The Indian market for white dextrin powder stood at USD 37.5 million in 2023 and expected to reach USD 46.9 million in 2029, with a CAGR of 3.81%. Growth in white dextrin can be attributed to its demand in foundries, pharmaceutical companies, food and confectioneries companies, construction chemicals, paint industry and leather chemicals.

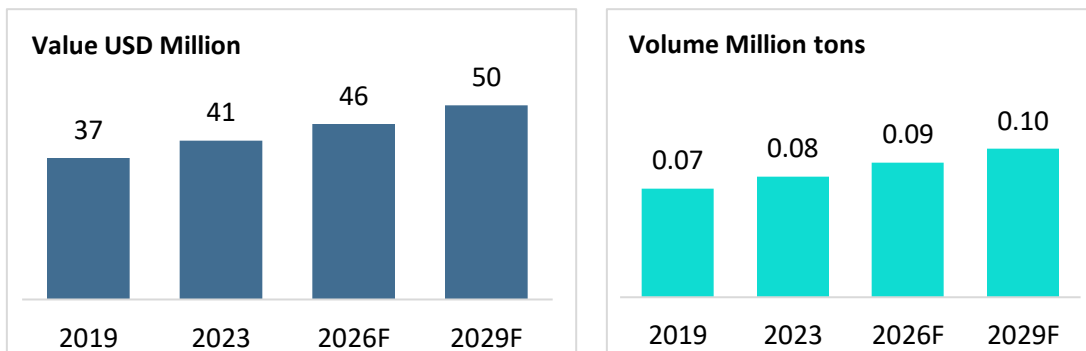
Some of the key players in the yellow and white dextrin market in India are Universal Star Chem Allied Ltd, Sahyadri Starch and Industries Pvt Ltd, Gujarat Ambuja Exports limited and Paramesu Biotech Private Limited.

Indian Yellow Dextrin Market Size - Value, Volume

Value

CAGR 2019-23 – 3.02%

CAGR 2023E-29F - 3.39%



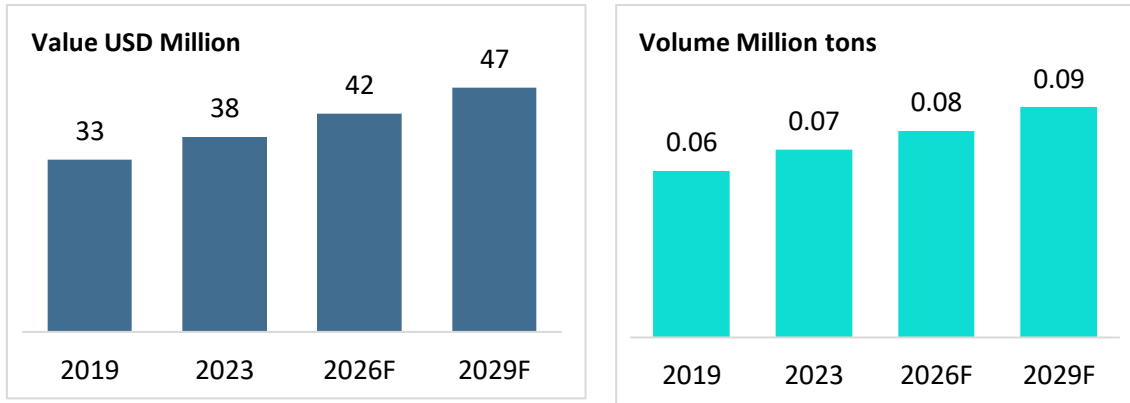
Source: Industry sources, Frost & Sullivan

Indian White Dextrin Market Size - Value, Volume

Value

CAGR 2019-23E – 3.17%

CAGR 2023E-29F – 3.81%



Source: Industry sources, Frost & Sullivan

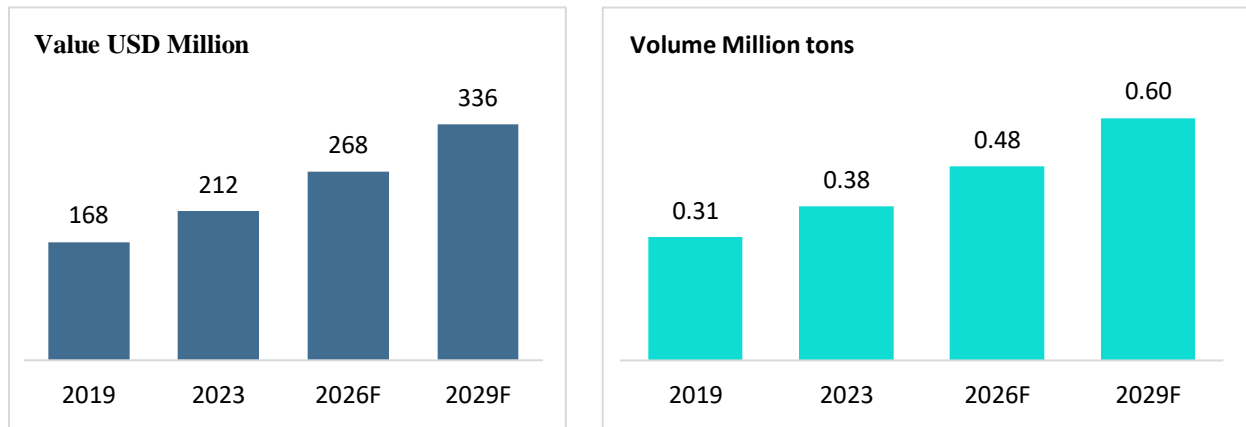
- C. Maize Flour:** The Indian maize flour market size is expected to be valued at USD 336 million in 2029 from USD 212.3 million in 2023. Increasing demand for ready to eat products, noodles, pasta, chips, nachos, bakery products, soups and similar products is creating incremental opportunities for maize flour producers. The overall demand for maize flour is projected to grow at a CAGR of 7.95% between 2023 and 2029. Maize Flour is dusted on vegetables, paneer or chicken before deep frying to achieve perfect crispiness, especially while cooking desi-Chinese meals. It is also used in Indian households to thicken the gravies, soups and add crispiness to fried food products. Indian maize flour market is highly fragmented and unorganised with existence of many private labelling players as well. On an average, price for maize flour in Indian retail market ranges from Rs 25-30 for 100-200 gm of packet with shelf life of 18-24 months. Bulk purchasers buy maize flour at Rs 25-35 per kilogram. Some of the key brand available in retail market are Top, Brown & Polson, Blue Bird Foods Pvt Ltd., Weikfield, Ruchi, Aahar, Dr RBL, SFT, Mr Kool, Mojan Impex, Khushi and so on. Many players such as Burly Field, Organic Tattva, Natureland, Radha Govind have also started offering organic- 100% natural maize flour.

Exhibit 102: Indian Maize Flour Market Size - Value, Volume

Value

CAGR 2019-23 - 5.92%

CAGR 2023E-29F - 7.95%



Source: Industry sources, Frost & Sullivan

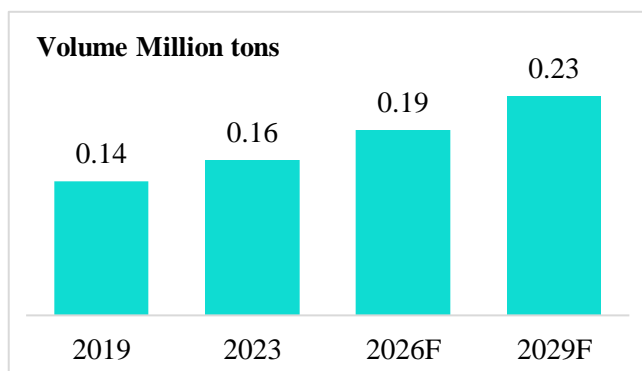
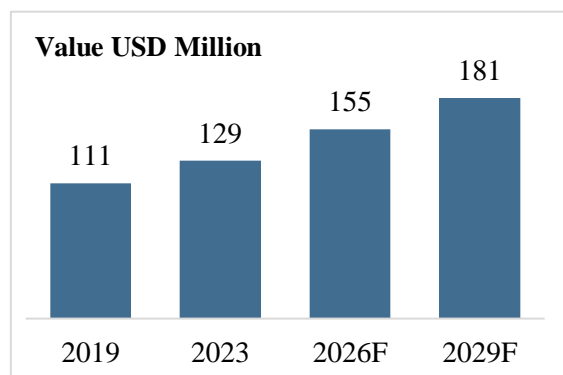
D. Baking Powder: Baking powder market in India is valued at USD 129.1 million in 2023 with expected growth of 5.77% till 2029. In the production of bakery goods such bread, tarts, pies, pastries, biscuits, and cakes, baking powder is a crucial ingredient. A good quality baking powder is necessary for improved baked goods in terms of flavour, colour, and texture. Because of this, the market has seen continuous demand over the past few years. The widespread use of baking powder in the food processing sector has persisted even as customers' preferences for healthier food have increased. As a result, the market for baking powder has historically been remarkably stable. Blue Bird Foods (India) Private Limited, Amrut International, Swiss Bake Ingredients Pvt. Ltd., Ajanta Food company, RB Foods, Urban Platter, Weikfield, Indiana, and Mr. Kool are some of the manufacturers of baking powder in India.

Indian Baking Powder Market Size - Value, Volume

Value

CAGR 2019-23 - 3.94%

CAGR 2023E-29F – 5.77%



Source: Industry sources, Frost & Sullivan

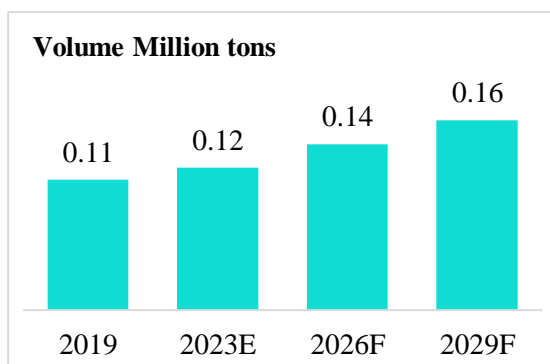
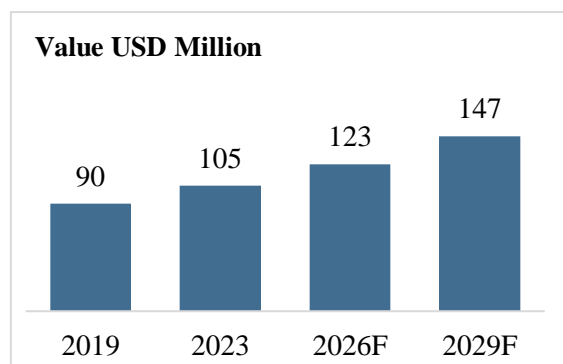
E. Custard Powder: The Indian custard powder market has witnessed a growth from USD 90.2 million to USD 105.3 million from 2019 to 2023. With a CAGR of 5.70%, this market is estimated to reach USD 146.9 million in 2029. With increasing globalization, people have developed taste for food from western countries and are ready to try new products which will help further penetration of custard powder in Indian markets. Some of the company's manufacturing custard powder are Weikfield, Pillsbury, Kraft Foods, GD Foods, Premier Foods, ITN Food Corporation, Well and Good Pty Ltd, Unilever Food and General Mills Inc.

Exhibit 104: Indian Custard Powder Market Size - Value, Volume

Value

CAGR 2019-23E – 3.94%

CAGR 2023E-29F - 5.70%



Source: Industry sources, Frost & Sullivan

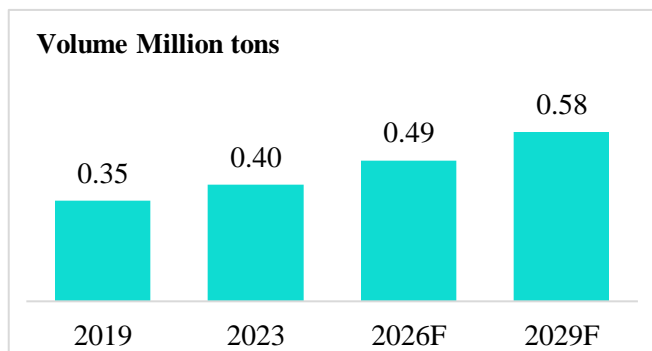
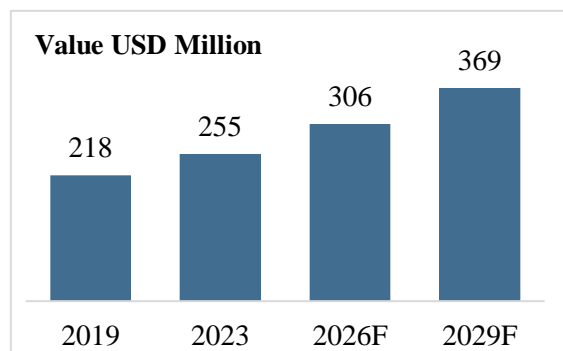
F. Icing Sugar: Icing sugar is majorly used by commercial bakeries, confectionary manufacturers, and beverage producers. Icing sugar's fine texture makes it perfect for dusting over cakes, pies, and pastries to sweeten and add a lovely decorative touch. Indian market for icing sugar is valued at USD 255.3 million in 2023 and is expected to grow at CAGR of 6.35% till 2029.

Exhibit 105: Indian Icing Sugar Market Size - Value, Volume

Value

CAGR 2019-23 - 4.06%

CAGR 2023E-29F - 6.35%



Source: Industry sources, Frost & Sullivan

G. Other starches

1. Oxidised Starch

The food industry is using an increasing amount of modified starches. Acid-modified starches have a lower viscosity, higher gel strength, and improved clarity compared with native starch and these products are used in cakes and gum confections. Oxidized starch, made using hypochlorite, provides gels of low strength but improved clarity and these are used for candy production. Cross-linked starches have reduced stringiness and are best suited to pie fillings and canned pie fillings. Esterified starches are highly stable and do not retrograde on repeated freeze-thaw cycles. These are used in frozen dessert products and pudding starches. Acetylated starch has good stability at low temperatures and is used in canned, frozen, baked, and dry foods.

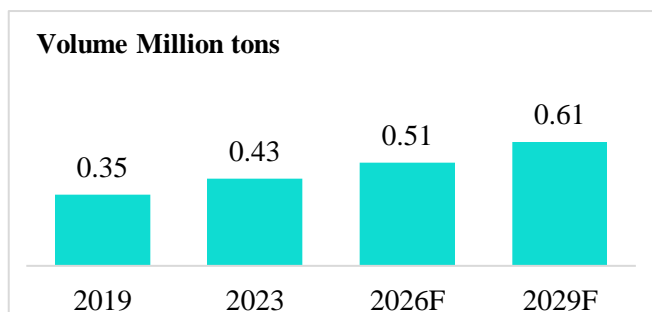
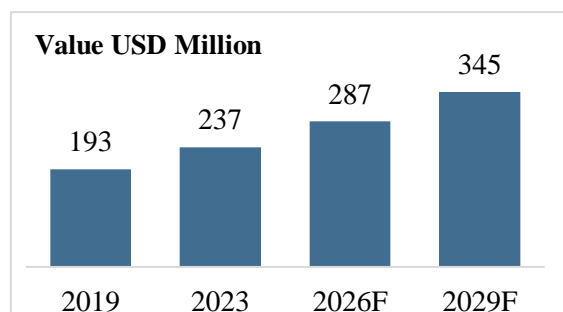
The market for oxidized starch is anticipated to expand at a CAGR of 6.48% till 2029. The industry is expected to value around USD 344.7 million by 2029 up from USD 236.5 million in 2023. The chain length of oxidized starch is shorter than that of native starches which helps in providing range of viscosity and fluidity to suit the requirement of paper processing in the application of surface sizing. It helps in improving oil absorbency quality of paper and imparts smoothness to paper.

Indian Oxidized Starch Market Size - Value, Volume

Value

CAGR 2019-23 - 5.24%

CAGR 2023E-29F - 6.48%



Source: Industry sources, Frost & Sullivan

It is also used as coating in industries including food, pharmaceuticals, textile, construction. Oxidized starch is also used as stabilizers in milk and ice-cream dessert, pudding and dessert. In confection and confectionary industry as organization and structure creators for preparation of deserts, fillings, soufflé and jellies.

Additionally, it is employed in the manufacture of acoustic tiles, wafer cups, and isolation cardboard for the building sector.

Indian manufacturers are providing customized oxidized starch where the viscosity is adjusted as per the customer requirement. It is available in 50 Kg. HDPE bags with inner liner. However, special packing like Jumbo bags or Paper bags with 25 Kg SKU is also arranged as required. Some of the key end users of oxidized starch are Emami group, Century, Khanna Paper, and Trident group.

2. Cationic Starch

Cationic starches signify high performance starch derivatives which have affinity towards negatively charged substance which include cellulose, slimes, macromolecules, and aqueous suspensions of minerals. Because of this property of cationic starch, it has gained wide commercial applications. Cationic starch is majorly used in paper industries' wet end applications to improve retention of fines and fillers, to improve strength by addition of fiber bond and for better sheet formation with good drainage. Cationic starches are effective for improving physical properties of paper as bursting and tensile strength, elongation, fold endurance, and pick resistance. They are often used in manufacturing high grade printing papers, fine writing papers, light weight papers such as bread wraps and glassine.

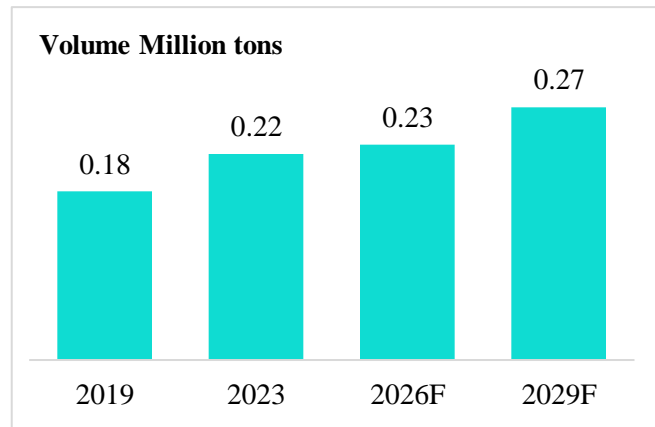
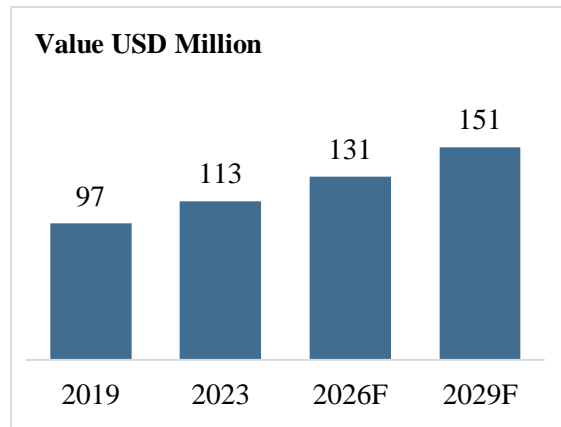
Cationic starch also has application in detergent soaps & powder, paint & emulsion, wall putty and disposable diapers industry.

Indian Cationic Starch Market Size - Value, Volume

Value

CAGR 2019-23 - 3.90%

CAGR 2023E-29F - 4.97%



Source: Industry sources, Frost & Sullivan

The Indian cationic starch market was valued at USD 113.1 million in 2023 and is expected to grow at CAGR of 4.97% to reach USD 151.3 million in 2029. Indian manufacturers are providing cationic starch, which is fine, white, odourless, dry powder with less than 12% moisture content in 50 kg SKU packed in HDPE bags with inner liner or Jumbo bags as per client's requirement.

3. Pregel Starch

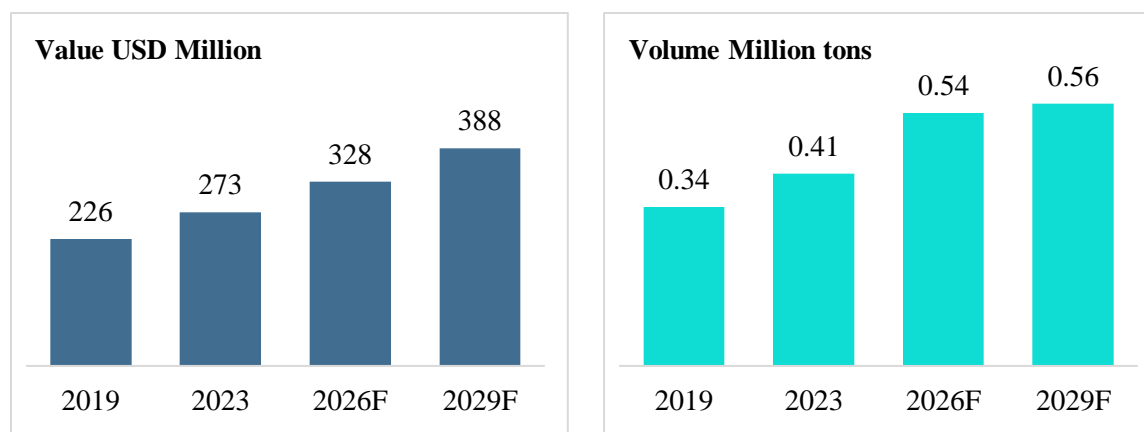
Pregelatinized maize starch is type of modified starch which is soluble in cold water as it easily absorbs water and swells at room temperature. It has characteristics like strong water absorption and high viscosity. It helps in the development of viscosity during the manufacturing processes either without cooking or with processing at very low temperatures and it is intended for instant cold preparation applications. Pregelatinized starch has its applications in dairy products, beverages including less sugar variants, confectionery, cold mixes such as fruit and cream fillings, glazes, frostings and icing for bakery products and snacks, instant foods, soups, sauces, dressings.

Exhibit 108: Indian Pregel Starch Market Size - Value, Volume

Value

CAGR 2019-23 - 4.79%

CAGR 2023E-29F – 6.03%



Source: Industry sources, Frost & Sullivan

There are also other industrial and pharmaceutical applications for pregelatinized starches. Pharmaceutical grade pregelatinized starch is widely used as a binding and disintegrating agent for tablets, pills and granules, also used as filler for capsules.

It is used as a binder for briquettes in coal, foundry, incense stick and mosquito coil industry. It is also used as fluid loss control additive in oil well drilling industries. Pregelatinized maize starch is also widely utilized in the fish feeding industry as binding agent or expanding agent.

The market for Pregelatinized starch was valued at USD 272.8 million in 2023 and is expected to grow at CAGR of 5.9% till 2029. Indian manufacturers produce pregelatinized maize starch in range of lower to high viscosity and is available in 25 or 50 Kg SKU in printed or plain HDPE, PP bag, Multiply Paper Bag or Paper & PP Combined bag.

Comprehensive Study and Analysis of Market Drivers, Restraints, and Opportunities Influencing the growth of the segment

Growth drivers for Modified Starch Industry in India

- Demand for clean-label products are driving the development of eco-friendly modified starches
- Rising health consciousness among consumers leading to a consumer preference for products using maize based specialty products and ingredients solutions due to their nutritional superiority.
- Growth in pharmaceutical sector
- Growing demand for ready to eat packaged foods and convenient food packaging options

- Novel applications - Modified starch suited for various specific applications resulting in higher efficiency and better quality of end products. E.g. application of cationic starch in paper industry is resulting in lower fiber loss, better printability and use for starch in manufacturing ethanol.

Growth Restraints for Modified Starch Industry in India

- **High cost of Natural Additives** - Structural and supply chain problems are causing a continual increase in the cost of procuring additives and commodities, as well as indirect costs such increased transportation prices and fluctuations in demand. Chemical modifications of native starches are often performed, in an aqueous suspension under controlled conditions of pH, time and temperature. After sufficient reaction time, the modified starch is recovered by filtration or centrifugation, washed with water, dried and packaged. The relevant modification reactions can be, separately or in combination, fragmentations (hydrolysis, oxidation, enzymatic), bleaching, oxidation, esterification, etherification or phosphorylation of one or more of the hydroxyl groups of the α -D-glucopyranosyl units or crosslinking using polyfunctional agents.
- **Lack of Adequate Infrastructure** and capacity to dry up maize to the level of 14% leading to wastage and loss to farmers. As per Industry, there is a shortage of farm level infrastructure (maize driers) and quality storage facilities, resulting in quality degradation. Lack of drying to appropriate levels leads to post harvest losses. According study done by NABCONS in 2022, postharvest loss of cereals is 3.89-5.92% which occurs at different stages of harvesting, collection, grading/sorting, winnowing/cleaning, drying, packaging, transportation, and storage depending upon the commodity. Also, as per US Grain Council, optimum moisture in grain for long-term storage should be below 14%.
- Maize Cultivation is a **Water intensive** affair and hence can be a cause of concern during the dry months of the year. Cultivation of maize is a water intensive affair, and a growing maize plant requires about 2-3 litres of water per day during peak growing period or average consumptive use of water varies from 2.5 to 4.3 mm/day. Further, cultivation of maize is also dependent upon favourable weather conditions in the areas where maize is procured from such as Jalgaon, Nandurbar, Amalner and Malegaon in Maharashtra. Though Maize can be cultivated in all the seasons because of the favourable climatic conditions, it is mainly grown as major Kharif crop in most States in India and Rabi crop in Andhra Pradesh and Tamil Nadu. Due to favourable agro climatic factors & consistent water supply, Rabi maize is more consistent in quality.
- **Consistent quality of Maize not available round the year with high cost of cultivation as well as rising Post-harvest Losses:** Maize in India is grown in Kharif & rabi season. Maize quality is influenced by factors such as weather conditions, soil fertility, and agronomic practices, resulting in variations in grain size, moisture content, and nutritional composition across different harvests. This seasonal variability poses challenges for manufacturers which seeks consistent quality standards in maize procurement, processing, and product formulation, potentially affecting our product performance, consumer satisfaction, and brand reputation. Rabi maize gets consistent supply of water due to its dependency on irrigation whereas rainfed maize in kharif season is often exposed to erratic nature of rainfall. Due to favourable agro climatic factors & consistent water supply, rabi maize is more consistent in quality. The marketing period of maize is generally from October to December for Kharif maize and from January to May for Rabi crop. In terms of Post Harvest Losses, overall postharvest loss of cereals is reported as 3.89-5.92% at different stages of post harvesting. The cultivation of maize entails significant input costs, including seeds, fertilizers, pesticides, labor, and mechanization, making it financially demanding for farmers, especially smallholders. Lack of adequate infrastructure and capacity to dry up maize to the level of 14% leading to wastage and loss to farmers results in post-harvest losses which in turn results in rise the cost of maize which is the primary raw material for starch products. Also, the total cost of cultivation of maize was around INR 56,956/Hectare in 2017-18 and has increased to INR 71,337/ Hectare in 2021-22, a growth of CAGR 5.8% Consistent availability of high-quality maize throughout the year is a significant risk as Maize, being subject to

seasonal variations, faces challenges in maintaining uniform quality levels across different harvests. Additionally, there are high cost of cultivation and escalating post-harvest losses further exacerbate the risk, impacting both the reliability of supply and the financial viability of maize-based enterprises.

Legal restriction related to the use of modified starches in the country: Government regulations in India is limiting the usage of starch in products in India compared to the permissible limits in other American and European countries. In addition, FSSAI has certain restrictions on usage of starch in different products such as:

- a) Khoa shall be free from added starch. Starch provided it is added only in amounts functionally necessary in Dried Ice-Cream Mix, Ice-Cream, Kulfi, Chocolate Ice Cream or Softy Ice-Cream starch, provided it is added only in amounts functionally necessary.
- b) Infant Milk Food shall be free from starch
- c) Fruit/Vegetable, Cereal Flakes starch should not be more than 25.00% (m/m)
- d) Oxidized starch in thickeners should not be more than 5000 mg and
- e) Pasteurized Fish Sausage starch as Binding agent should not be more than 9%.

According to European Starch Industry Association, modified starch excluding dextrans (e.g. esters and ethers) can be up to 11 % (Dry Substance share) in representative product.

US FDA has limits for presence of certain limits in modified starch but it does not restrict the usage of modified starch.

Growth opportunities for Modified Starch Industry in India

- Possibility of forward integration for the production of sorbitol.
- Substantial growth opportunities in targeted emerging markets for specialty starch.
- Niche Applications – adhesives, textiles.

Several types of Modified Starch polymers and their application in bone tissue technology as bone tissue engineering scaffolding, drug delivery system as biodegradable nanomedicine-carrier based delivery system and implants, and hydrogels have been studied by different scientists over the past few years. Starch has also been demonstrated as a viable material for capping of nanoparticles from different metals like Au, Ag and Pt, because of their bio-tolerance and cost effectiveness. It has also been demonstrated to have potentials for use as nanoparticles to stabilize emulsions, Pickering emulsions, which are useful in cosmetics, pharmaceuticals and foods.

- **Sustainable Sourcing Practices** - Companies are exploring sustainable sourcing practices, such as upcycling, to reduce waste and environmental impact.

Novel Application of Starch

The application restrictions posed by native starches has paved the way for modified starch that find numerable applications in generating novel polymers with numerous functional and value-added properties that suit the needs of the various industries.

For instance, most currently used drug delivery systems are based on polylactide-co-glycolide (PLGA) and polylactide (PLA). Starch could provide an alternative for PLGA and PLA because it is already widely used as an excipient in medicinal products and medical devices. A type of starch could be used as an excipient in medicine to improve the treatment of patients. It makes a suitable drug release system and has advantages over already established excipients.

Additionally, it is also used as a common binder, disintegrant, diluent, absorbent, lubricant. Starch finds applications in thickening foods, sizing and coating papers, textile sizing, use in drilling muds, adhesive formulations, among others.

Starch has been the centre of integrating principles of green chemistry, green technology, and green nanotechnology with those of green packaging, resulting in films and coatings that are biodegradable and renewable. Current research in the field of starch-based films is focused on:

- Improving existing green production technology, applying the chemistry principles by making the packaging material active or responsive.
- Increasing the mechanical properties such as tensile strength and elongation at break.

Mock meats

Recently, meat replacing products have gained traction on a global scale and is expected to gain further momentum. As a result, more products are appearing in the market that mimic meat or offer protein-rich alternatives to the consumers. Creating the adequate texture, flavour, and colour is one of the key challenges in the production of mock meat. The mock meat market is expected to be driven by consumer interest in plant-based diets such as eating fruits, vegetables, and nuts, as well as raising awareness of animal rights through various organizations. Plant-based mock meat is becoming an important part of a vegan diet, in which people practice vegetarianism by avoiding animal-based foods. Veganism is gaining popularity among consumers for both health and ethical reasons. The Meat Substitutes market accounts for USD 43.36 million in 2023. The market is expected to grow annually by 13.6% (CAGR 2023-2028).

Gelatinized starch is being used as a functional ingredient added to meat and meat replacing products. Modified starch is preferred for this application over native starch due to improved functionality. Starch is used as an ingredient in commercially available meat replacers and real meat products, though mostly applied in low quantities. In these cases, starch acts as a filler and can increase yield or modify water holding.

In the commercial production of mock meat, thermal pre-treatments can be seen as a potential way to functionalize less-refined raw materials, as there are potential synergies with the functionalization of protein in the same materials. Research progress has been made in terms of quality, sustainability, and cost-efficiency of meat replacers by designing fractionation processes for protein- and starch-rich crops specifically for meat replacers and combining them with treatments to endogenous starch such as to tune the functional properties of the fractions.

BBiomaterials and Biopolymers

Starch is an ideal candidate for edible and biodegradable films for packaging material since it is affordable, available, abundant, and renewable. Applications of biopolymers derived from chemically modified starch include packaging, adhesives, agriculture, superabsorbent and wastewater treatment. Global bioplastics production capacity is set to increase significantly from around 2.23 million tonnes.

Bioethanol

Ethanol is a chemical compound which can be used in different applications such as alcohol in beverages as well as in chemicals, pharmaceuticals, and biofuels. The development of more efficient distillation processes in the nineteenth century led to increase in industrial trade of ethanol. Presently, the bioethanol market is valued at USD 83.4 Billion in 2023. It is expected to reach USD 114.7 Billion by 2028 growing at an average CAGR of ~6.6%.

Bioethanol can be used for food production and to partially replace fossil fuel. Bioethanol has already been used in large scales in countries such as Brazil, the US, and few other European countries. The production has increased significantly over the few years since countries are looking for reducing oil imports while boosting rural economies and air quality. Additionally, maize and potato starch sources are a preferred renewable feedstock source due to its low-cost nature. Bioethanol is a viable alternative for a time when energy crisis requires more attention.

Bioethanol fuel is mainly produced by the sugar fermentation process, although it can also be manufactured by the chemical process of reacting ethylene with steam. The main sources of sugar required to produce ethanol come from fuel or energy crops. These crops are grown specifically for energy use and include maize, wheat and wheat crops, waste straw, willow and trees, sawdust, reed canary grass, cord grasses, Jerusalem artichoke, miscanthus and sorghum plants.

Worldwide, most bioethanol is produced from sugar cane (Brazil), molasses and maize (USA), but other starchy materials such as wheat, barley and rye are also suitable. Crops that contain starch have to be converted to sugars first. A feedstock of around 3 tons of grains is needed for the production of 1 ton of ethanol.

Some of the key uses of bioethanol are:

- as a transport fuel to replace gasoline
- as a fuel for power generation by thermal combustion
- as a fuel for fuel cells by thermochemical reaction
- as a fuel in cogeneration systems
- as a feedstock in the chemicals industry

Agriculture

In case of agriculture which heavily relies on plastic-originated mulch films, nets, packaging, piping, silage, among others. The use of biomaterials to design new materials for various applications is a common research topic throughout the world.

Pharmaceuticals

Biomaterials are used extensively in the design of modern dressing kits, implants, surgical sutures, stents, and craniofacial anastomoses.

Consumer products

Companies such as Nike, North Face, Louis Vuitton, and Adidas are jumping on the bandwagon to cater to environmentally cautious consumer segment that are interested in the source of the feedstock and the environmental impact each purchase has. This opens up a large market in the consumer durables segment for biomaterials and biopolymers. Other companies such as Unilever, Bolt thread, Phytolon, and MycoWorks are also creating products that are considered environmentally friendly polymers that are bio sourced.

Construction Chemicals

Starches and its products are used in construction chemicals as well. Starch Ether used in Dry Mix Building Mortar as it increases the performance, sag resistance, and consistency of mortar. Usually, non-modified and modified cellulose ethers are utilized with starch ether.

Flavours and Fragrances

Recently maize starch is being used in manufacturing flavours and fragrances. According to a recent study, flavour compounds with low solubility can form complexes with high-amylose maize starch, providing novel encapsulation

and monetary benefits. Modified starches are used in encapsulated perfume particles which are then used in laundry compositions.

Key Players in the Global & Indian Modified Starch based Value Added Products (also known as Modified Starch Industry)

The Modified Starch Market is moderately fragmented globally. Some of the major players in the market include Archer Daniels Midland Company, Agrana, Emsland-Starle GmbH, Cargill, Inc., Global Bio-Chem Technology Group Co. Ltd., and others. Key players in the market enter strategic partnerships, M&A, and Joint Ventures, and focus on R&D to launch innovative products to cater to the changing preferences of consumers across the world. The industry is witnessing increased investment leading to enhanced capacity and higher M&A.

Global & Indian Modified Starch producing companies		
Emsland-Stärke GmbH	Roquette	Sanwa Starch Co. Ltd.
Nihon Shokuhin Kako Co. Ltd.	ADM	Japan Maize Starch
Global Bio-Chem Technology Group Company Limited	Agrana	China Essence Group Ltd.
Ingredion Incorporated	Cargill	PT Budi Starch & Sweetener Tbk
Tate & Lyle PLC.	Ulrick & Short	Nouryon
Gayatri BioOrganics	Sukhjit Starch and Chemicals Limited	Varalakshmi Starch Industries Private Limited

Global

- 1) Ingredion announced USD 160 Mn of capital investment into specialty starches to expand capacity, optimize its supply chain and further organic growth with a focus on localizing more Asia-Pacific production.
- 2) Agrana invested €200 million in the bioethanol plant in the past and the first wheat starch production facility. It has furthered its investment by additional €100 million in this second wheat starch processing plant in 2019.
- 3) Tate & Lyle offers speciality starches and has a comprehensive portfolio of over 250 maize, tapioca and potato products, offering a range of functionalities such as thickening, film-forming, gelling and emulsifying. It announced its expansion of tapioca-based starches line in 2021.
- 4) In 2019, Nouryon introduced a certified natural starch that can replace petrochemical-based products in a variety of personal care applications.
- 5) Sanwa Starch Co. Ltd produces modified starch used for fish sticks, cutlets, croquettes, fried chicken, and other deep-fried foods applications.

Indian

- 1) Gayatri BioOrganics is into the manufacturing of starch, modified starches, liquid glucose, sorbitol, and its allied products, and trading in maize in South India. Anil is engaged in manufacturing and marketing of maize based specialty products and ingredients solutions to industries, including textile, paper, adhesive, pharmaceuticals, food and beverages, chemicals and animal nutrition industry.

- 2) Sukhjit Starch and Chemicals Limited is an India-based agro-processing company that manufactures maize based specialty products and ingredients solutions in India. The Company manufactures modified starches, Dextrines, liquid glucose, HMS among others.
- 3) Varalakshmi Starch Industries Private Limited (VSIPL), formerly known as Varalakshmi Starch Industries Limited roughly produces about 150 tonnes of modified starch.

Competitive Landscape of Maize based Speciality Products and Ingredient Industry in India

Overview of players in Indian Maize Starch Industry

The Indian Maize Starch market is anticipated to grow at a of 4.74% from 2023 to 2029, when it is predicted to reach a volume of 9.5 million tons. This sector is booming as maize is easily accessible in India and has multi-fold uses in the food and beverage, pharmaceutical, animal nutrition, textile, and paper industries. Indian Maize starch application segment is dominated by the food and beverage industry. Sustainability, circular economy, having multiple suppliers, diversified customers, and continuous pursuit of innovation. The Maize Starch industry has a positive outlook for the upcoming years. The majority of end use industries have shown strong growth aspirations, which is encouraging for the industry's expansion. Companies are prioritizing advancement in technology and creative- innovative solutions to broaden their business frontiers in domestic as well as global markets. The main growth drivers for this sector are the robust demand across end-user sectors driven by increased import substitutions, strong export growth, and expanding domestic consumption. Growing robust local demand combined with higher exports will boost the market in coming years. Companies sign volume & rate contracts with durations ranging from three months to a year. In rate contracts, prices of end products are fixed for a predetermined period of time. If raw material prices rise during this time, it puts pressure on the manufacture company's margins. Due to the commodity nature of the starch and the extensive government control over sales and procurement for agriculture, players in this business have very little influence over pricing and very little leverage when negotiating with customers.

Major Indian Players in Maize based speciality products & ingredient solutions

Indian Maize Starch producing companies	Gulshan Polyols Limited	Gujarat Ambuja Export Limited	Sayaji Maize Products	Roquette India Private Limited	Sukhjit Starch and Chemicals Limited	Tirupati Starch & Chemical Ltd	Universal Starch Chem - Allied Products Ltd	Sanstar Ltd
Year of Establishment	1981	1991	1941	2010	1943	1985	1973	2005
Plant location	UP (1), Gujarat (1)	Gujarat (1), Maharashtra (1), Karnataka (1), Uttarakhand (1), WB (1)	Gujarat (1)	Karnataka (1), Gujarat (1), Uttarakhand (1)	Punjab (1), Telangana (1), WB (1), Himachal Pradesh (1)	Madhya Pradesh (1)	Maharashtra (1)	Gujarat (1), Maharashtra (1)
Maize milling Capacities (MTD)	600	4000	850	2720*	1,600	300*	750	1,100

Expansion plans	-	Expansion planned for 900 MTD in Gujarat	-	Company plans to increase its capacity from 1600 TPD to 2000 TPD over the next 24 months.	Expansion planned for up to 450 MTD and with inclusion of liquid glucose product portfolio.	Planned expansion for derivatives.*	Planned expansion of Dhule facility by 1,000 MT/day; which will catapult Sanstar into 3 rd largest player in India.
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**Data provided for capacity is given on the basis of credit rating reports and discussions with industry stakeholders.*

Source: Company website, Annual Reports



Exhibit 114 (b): Capacities of Indian Maize based Speciality Products and Ingredient Players

Indian Maize Starch Producing Companies	Installed Maize milling Capacities, MTPD	Market Share based on Maize milling Capacities, %
Gujarat Ambuja Starch Products Ltd	4,000	21.6%
Roquette India Pvt Ltd *	2,720	14.7%
Sukhjit Starch Products Ltd	1,600	8.7%
BlueCraft Agro	1,250	6.8%
Sanstar Ltd	1,100	5.9%
Sayaji Maize Products Ltd	850	4.6%
Cargill*	800	4.3%
Universal Starch Chem -Allied Products	750	4.1%
Gulshan Polyols	600	3.2%
ShreeGluco Biotech*	600	3.2%
Sahyadri Starch & Industries Ltd.	600	3.2%
Everest Starch	600	3.2%
Paramesu Biotech	500	2.7%
Kasyap Swetteners*	420	2.3%
Rajaram Corn Products Ltd*	300	1.6%
Santhosh Maize & Industries Ltd	300	1.6%
Others	1,500	8.1%

*These companies have not published the capacities and the data provided is given on the basis of credit rating reports and discussions with industry stakeholders.

Source: Company websites, Annual reports

Overview of Key Financial Performance Indicators

Key Financial Indicators of Indian Maize based Speciality Products and Ingredient Solutions Players

Parameters	Revenue, INR Mn			Growth CAGR, %
	2021	2022	2023	
Company name/ Year	2021	2022	2023	2018-2023
Gujarat Ambuja Starch Products Ltd (Maize Processing revenue)	19,580	26,440	32,030	19%
Sukhjit Starch Products Ltd- Revenue from Starch & Derivative	5,090	8,230	10,565	27.6%
Sanstar Ltd	3,101.30	5,047.67	11,780.82 *	62.8%** (Y-O-Y- 2021-22)
Universal Starch Chem - Allied Products Ltd	2,970	4,580	5,187	21%
Tirupathi Starch Products Ltd	2,000	3,200	3,647	11%
Gulshan Polyols (Starch revenues)	890	1,680	2,020	13%
Riddhi Siddhi Gluco Biols	3,020	1,500	1,930	-15%

Note: Revenue for Sanstar for FY 2023 is consolidated whereas revenue for FY 2021 and FY2022 is standalone value.

Source: Annual Reports, Money control, Frost & Sullivan research

Key Financial Indicators of Indian Maize Based Speciality Products and Ingredient Solutions Players

Parameters	ROCE (%)			ROA (%)			EBITDA (INR Mn)			EBITDA Margins (%)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Company name/ Year	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Gulshan Polyols	24.9 %	19.9 %	9.2%	12.5 %	10.6 %	4.6%	133.0	152.2	95.1	17%	14%	9%
Gujarat Ambuja Starch Products Ltd	28.0 %	31.0 %	16.5 %	15.0 %	17.3 %	11.1 %	561.5	741.2	549.1	12%	16%	12%
Riddhi Siddhi Gluco Biols	4.7%	6.2%	3.6%	20.8 %	9.8%	2.1%	77.3	102.9	63.5	26%	68%	42%
Sukhjit Starch Products Ltd	8.3%	20.0 %		6.9%	7.4%	-	68.6	153.0	143.0	10%	13%	10%
Tirupathi Starch Products Ltd	5.0%	14.0 %	14.0 %	0.8%	5.2%	3.8%	9.3	21.2	-	5%	7%	-
Universal Starch Chem - Allied Products Ltd	15.2 %	22.6 %	14.7 %	3.6%	6.1%	2.9%	18.5	27.9	-	6%	6%	-
Sanstar Ltd	21.0 %	23.2 %	23.7 %	7.1%	7.7%	11.4 %	370.5	397.2	726.6	11.9 %	7.9 %	6.1 %

Source: Annual Reports, Money control, Frost & Sullivan Research

Key Financial Indicators of Indian Maize based speciality products and ingredient solutions players

Parameters	Equity ratio			Debt Ratio			Debt- Equity Ratio		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Company name/ Year									
Gulshan Polyols	0.7	0.7	0.58	6.8	7.7	2.40	0.0	0.2	0.33
Gujarat Ambuja Starch Products Ltd	0.8	0.8	0.8	14.2	10.3	5.72	0.1	0.1	0.09
Riddhi Siddhi Gluco Biols	1.1	1.0	0.88	9.2	11.9	8.4	0.1	0.04	0.05
Sukhjit Starch Products Ltd	0.47	0.53	0.54	2.9	3.5	2.2	0.4	0.7	0.24
Tirupathi Starch Products Ltd	0.2	0.2	0.27	1.0	1.0	1.39	0.2	4.4	3.67
Universal Starch Chem - Allied Products Ltd	0.2	0.3	0.29	1.7	2.2	1.4	1.37	0.87	1.11
Sanstar Ltd.	0.35	0.41	0.51	0.52	0.41	0.30	1.47	1.00	0.60

Source: Annual Reports, Money control, Frost & Sullivan research

Key Success Factors for Maize based Speciality Products and Ingredient Solutions Industry



Experienced Promoters

Maize starch is the commoditised product which is used across different industries. It requires a sound technical team with know-how of manufacturing as well as understanding of customers need. Manufacturing of maize based speciality products and ingredient solutions requires an experienced and sound team with expertise in efficient and cost-effective procurement of maize, technical understanding of manufacturing process, understanding of customers' requirements, and building long term relationships with them, among others. Management having significant experience with highs and lows of this sector have advantage over the competition.



Dr. CK Jain, the promoter of Gulshan Polyols, has nearly forty years of experience in the maize milling sector. Since 1986, the Kasyap Family of Kasyap Sweetener's has been in the maize milling business, providing the company with experience. Gupta Family has been a promoter of Rajaram maize products since 1966. The Sardana family, promoters of Sukhjit Starch and Chemicals Ltd.'s with their strong experience have helped the company to flourish.

One of the major players in the starch market, Sanstar Ltd first gained experience in tapioca starch trade before venturing into the production of maize based specialty products and ingredients solutions. Mr. Gautam Chowdhary (MD), the promoter of Sanstar Group, has over 50 years of industry expertise. The management has been long involved in manufacturing of starches and sweeteners. In 1989, company completed acquisition of Salem Glucose Pvt. Ltd and eventually turned it into 100 MT/day maize crushing unit under the name of Santosh Starch. Management also has a lot of expertise in maize procurement as well as finished goods sales.



Strategic location

Access to raw material-maize as well as potential customers is crucial to be successful in this industry. When procuring maize, price as well as quality are very important. Despite being one of the top producers of maize, India faces challenges in maintaining supply of the maize crop due to its several uses, including the production of ethanol and animal nutrition. Hence stocking of maize is essential in maize based speciality products and ingredient solutions business, so that plant keeps on running smoothly.



Sanstar's plant in Shirpur, Maharashtra, is located in maize growing belt of Jalgaon, Jalna, Nandurbar, Malegaon, Nashik and Aurangabad. It is close to Mumbai Agra national highway which makes transportation efficient and easy. The plant in Bharuch, Gujarat is located in close proximity to Jamnagar- Amritsar national highway and is at 86 km distance from Mundra port and 51 km from Kandla port. The Shirpur, Maharashtra plant is located at a proximity to Nhava Sheva and Hazira ports. This ensures company's reach across different part of West and North India. Through direct interactions with farmers, Sanstar has establish fair pricing mechanisms, offer agricultural expertise, and provide support to farmers in terms of best practices. By directly sourcing maize from farmers, Sanstar not only ensure the freshest produce but also empower local agricultural communities, fostering sustainable farming practices. The company has more than 50,000 MT of maize storage silos at the Maharashtra plant which brings down the costs of handling losses; transportation as well as reduces outside 3rd party storage rents. Company is also working with Indian railways and has made an application for a railway siding unit at Nardana, which shall further bring down the logistic cost of transportation of maize. Being uniquely located in raw material belts; the company commands on one of the lowest procurement costs for maize in the maize based speciality products and ingredient solutions industry.

Sukhjit Starch and Chemical products' maize milling facilities are positioned strategically in India's North, East, and South, close to the maize growing belts. Additionally, the various weather patterns in the regions enable consistent year-round procurement of maize at cheap prices, giving the business an extra advantage.

GAEL has strong inhouse purchasing and procurement system along with multiple initiatives for cost optimisation, product localisation, supply chain efficiency improvement, and material yield improvement add to the GAEL's preparedness against the raw material price increase. Bluecraft Agro also has an established procurement and distribution network. Company follows practice of inventory built up in maize harvesting season of March to May and November to January to ensure good quality maize at competitive pricing. Company's Yamuna Nagar plant is the oldest in the industry with established operation of more than eight decades.



Diverse product portfolio with Diversified clientele base across diverse industries

The product mix determines revenue, and it changes based on the market prices and level of demand for completed goods. A significant amount of the starch output is used by the food & beverage, paper, and packaging industries. While co-products are utilized in poultry and cow feed, as well as partially in the food business as maize oil, derivatives like glucose and sorbitol are utilized in the food and beverage and pharmaceutical industries. Sukhjit Starch has diversified clientele with the top five customers contributing 15% to overall revenue through 2022. Dabur India Ltd, Heinz India Pvt Ltd, Nestle India Ltd and Marico Ltd were few of the reputed customers of the company. Bluecraft Agro has established relationships with many customers who have been associated with the company for more than 2-3 decades. During FY22, sales to top 10 customers were around 25% of net sales, reflecting its diversified customer base.



Sanstar Ltd has diversified product basket which includes maize starch and its various maize based specialty products and ingredients solutions such as dextrin, high maltose maize syrup, dextrose monohydrate, maltodextrin, sorbitol, and co-products. These products find applications in a wide array of industries including food, pharma, textiles, paper, industrial, oil and gas etc. Hence it is not dependent on exposure to a singular industry thereby hedging the risk for Sanstar. Sanstar Ltd is also one of the largest providers of certified organic starch within the industry. The company supplies to both domestic as well as exports markets. Reputed clientele like AB Mauri, ITC, Capital Foods, Hindustan Unilever ltd and Godrej Agrovet and Zydus wellness, etc.



GAEL with multiple domestic clients is also one of the largest exporters for maize starch & maltodextrin followed by Sanstar Ltd which earned ~USD 16.06 million in exports of starch from April- September 2023. Sanstar Ltd is also one of the only two exporters for Dried glucose syrup with ~25.3% share for same time period.



Robust financials with strong market position

In India, GAEL is largest maize processor. The company has ~4,000 tons crushed per day capacity with next plant announced in Gujarat to come up by 2025, making it the largest player in the maize based speciality products and ingredient solutions industry.

The maize-based speciality products and ingredient solutions division has contributed to ~65% of GAEL's revenue in FY 2023. Sukhjit Starch Products limited maize milling unit's revenue from starch increased by CAGR 13.9% to reach INR 1,056 Crores in FY 2023 from INR 550 Crore in FY 2018. For the same period starch revenues of Gulshan Polyols increased by CAGR 13% from INR 111 Crores to INR 202 Crores in FY 2023.

Sanstar Ltd has fifth largest installed capacity for production of maize based speciality products and ingredient solutions used in food & beverage and animal nutrition industry. Revenue of Sanstar Ltd grew by around 145% during FY23 from FY 21 to reach INR 760 Cr in FY23. Growth is attributed to strong demand from the end user industries like textile, paper and food products leading to an increase in the capacity utilization across the product categories. Also, emerging sectors such as ethanol, biotechnology applications and biodegradable packaging are expected to contribute to the growth. EBITDA margins for FY 2023 was 6.17%. Going forward, the margins are expected to improve further on the back of continued stable demand, benefit from newly commissioned Solar Plant in Maharashtra plant.



Focus on Technology for enhancing efficiency of plant and increasing utilization.

Sukhjit Starch utilizes state-of-the art effluent treatment technology, which converts biomass into biogas, reducing carbon emissions. Company has spent about INR 62.15 lakhs during FY2023 under reference in pursuit of improving the quality of products line, developing new products, and improving their applications.



By utilizing renewable energy resources, energy-saving technology, and increasing plantation, GAEL is striving to reduce its carbon footprints. It has installed Biogas Engines, Biomass-based Boilers, and other energy-saving equipment at different units/plants. Company has taken initiatives to generate energy through renewable sources like solar power, windmill, biogas and biomass (rice husk). The Company has spent INR 18 Crores as capital investment on energy conservation during the FY22. Sanstar imports critical technology from Germany for many of the high-speed rotating machines from companies such as GEA Westfalia. During FY23, Sanstar Limited had undertaken the construction project of a Bio-Gas engine and Solar Power Plant to cut the electricity cost, which is next major cost after raw material. The solar plant of 3.5 MW at Maharashtra unit has already commenced its operations in Dec 2022. Biofuel of 1.6 MW is Has commenced operations in Feb 2023. These projects are expected to result in improving profitability margins. Company is also generating electricity by waste totaling to 5 MT at both the unit location; and the project has been hallmarked as waste to energy project under the MNRE schemes from the central government of India.

Ethanol Manufacturing in India

Seven or eight years ago, there was barely any discussion of ethanol in India. However, ethanol has now emerged as one of India's priorities for the 21st century. Considering recent developments and public support, the government has chosen to push up the 20% ethanol blend objective in petrol by five years, from 2030 initially to 2025. In addition to sugarcane, ethanol factories using contemporary technology are being established all over the nation to produce

ethanol from agricultural waste. Domestic production of ethanol will also reduce reliance on oil imports by blending it with conventional fossil fuels for consumption.

As a byproduct of the sugar industry, ethanol is utilised in alcoholic beverages, medicines, plasticizers, polishes, and cosmetics. Consequently, India's leading sugar producers are also among the world's top producers of ethanol.

According to Ministry of Petroleum and Natural Gas, Govt. of India, ethanol market is predicted to expand by 500% domestically. At a 20% blending level, the demand for ethanol is expected to rise to 1016 billion litres by 2025. Consequently, the value of the ethanol sector will increase from about Rs. 9,000 crores to over Rs. 50,000 Crore, a growth of more than 500%. Government decided to expand interest subvention scheme for enhancement of ethanol distillation capacity. Ethanol production capacity doubled, and number of distilleries increased by 40% in 4 years (2019-2023). Ethanol distillation capacity is expected to grow by more than three times to 1,500 Crore litre annually.

Ethanol market Opportunity in India

Ethanol Supply	Year Projected Petrol Sale (Million Metric Tons)	Projected Petrol Sale (Cr. litres) *	Blending (in %)	Requirement of ethanol for blending in Petrol (Cr. litres)**
2019-20	24.1 (Actual)	3413 (Actual)	5	173
2020-21	27.7	3,908	8.5	332
2021-22	31	4,374	10	437
2022-23	32	4,515	12	542
2023-24	33	4,656	15	698
2024-25	35	4,939	20	988
2025-26	36	5,080	20	1,016

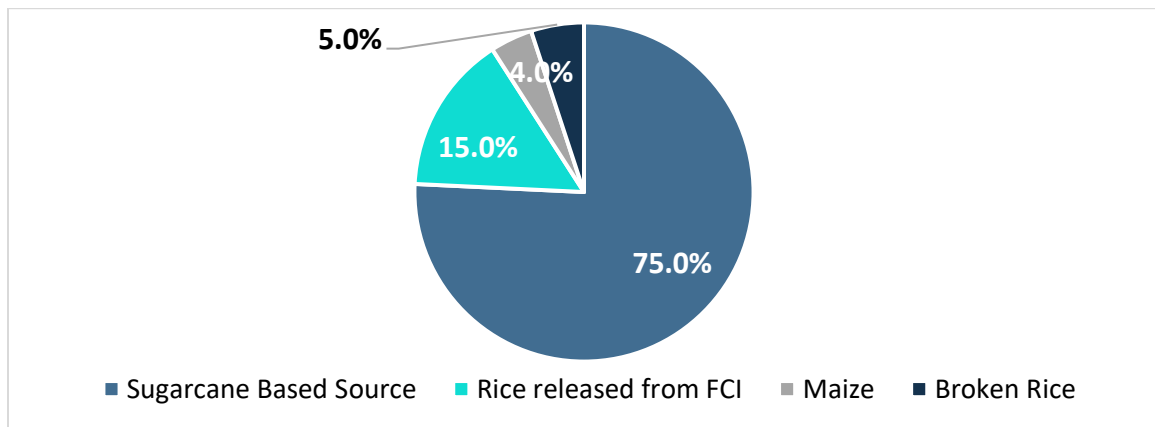
Source: Niti Aayog Report, 2022; Frost & Sullivan Analysis

*The petrol projections may undergo revision due various factors like penetration of EVs, etc.

** The figures are optimistic, as the E20 fuel will be consumed by new vehicles from 2023 only demand for ethanol will, however, increase due to penetration of E100 two wheelers, which are now being manufactured in the country.

In October - November 2020, National Biofuel Coordination Committee (NBCC) gave approval to utilise surplus stock of rice lying with Food Corporation of India (FCI) to be released to the distillers for ethanol production and gave go ahead to utilise maize for ethanol production. Separate price for maize based ethanol was established in October 2022 which will benefit the manufacturers of maize based ethanol. With increasing demand use of Damaged Food Grains (DFG) or Maize will increase so as to meet the target of 20% blending by 2025.

Ethanol % contribution from different feedstocks, 2022-23



Source: Ministry of Petroleum and Natural Gas (Data for 2022-23 is till mid-October 2023), Frost & Sullivan Research

With government support and stern targets, ethanol production sector has flourished in past 3-4 years and will continue to grow as demand for sustainability and clean fuel rises. Companies manufacturing Ethanol will definitely be at advantage with different feedstocks being used. Till 2017- 18 Molasses from sugar industry was the only major source of feedstock for ethanol manufacturing. The increasing demand for Ethanol cannot be sustained only by molasses and other feedstocks such as maize will contribute in greater terms. Sanstar Ltd will have advantage for ethanol manufacturing due to already established mechanism for procuring maize at competitive prices. In 2022 -23 India produced roughly around 4.94 billion litres of Ethanol of which majority came from B-Heavy Molasses & Juice followed by rice released by FCI, broken rice and from Maize.

As per All India Distillers Association (AIDA), with Government allowing ethanol production from maize, it is going to facilitate demand for ethanol from maize which is at around 292 crore litres. In addition, incentives from the Oil marketing companies (OMCs) in terms of increase in procurement price of ethanol manufactured by Maize is going to further facilitate the demand.

Profile for Sanstar Ltd.

Company Background: Sanstar Ltd is one of the manufacturers of plant-based specialty products and ingredients solutions in India for food, animal nutrition and other industrial applications. Sanstar has manufacturing facilities in Western and Central Region of India with widespread domestic and international distribution network. The Group is promoted by Mr. Gautam Choudhary, who has an experience of over 50 years. Sanstar Group (SG) comprises of two entities, namely Sanstar Ltd and Sanstar Bio Polymers Ltd (SBPL). The group is engaged in manufacturing of **maize based specialty products and ingredients solutions and its co-products such as Gluten, Germ and Bran**. Sanstar Limited and Sanstar Biopolymers Limited, companies based in Gujarat have applied for the scheme of the merger

before the NCLT Ahmedabad, to consolidate their management and operations. The merger application was approved by the NCLT Ahmedabad vide its order dated November 23, 2023. Pursuant to the merger order, all the assets and liabilities of the Sanstar Biopolymers Limited got transferred to Sanstar Limited. The Board of Sanstar Limited has approved the allotment of equity shares pursuant to the merger order on November 28, 2023.

Manufacturing and R&D Capabilities: Company has fifth largest milling capacity in the Indian maize-based speciality products and ingredient solutions industry and is well headed for expansion at its Dhule (Maharashtra) facility. Post the expansion, Sanstar will have aggregate capacity of 2,100 MTD and be 3rd largest player in maize-based speciality products and ingredient solutions providers industry.

Manufacturing facilities of Sanstar are located in Gujarat and Maharashtra which are the major states for producing maize in India. Plant in Shirpur (Dhule, Maharashtra) is spread across approx. 181 acres, which gives ample space for future expansion plans. Plants are completely integrated with SCADA automation enabling increased efficiency, improved product quality, cost savings, enhanced safety and flexibility and adaptability to respond to change. Along with these plants, Sanstar also has a 50,000 MT of maize storing warehouse at Shirpur facility which enables to stock enough maize. Sanstar also has R&D facility located in Ahmedabad, Gujarat which enables the company to constantly develop specialty starches for various food and industrial applications. Sanstar manufacturers **maize starch, dextrin, modified starches, liquid glucose, high maltose maize syrup, maltodextrin, dextrose monohydrate, sorbitol, gluten, germ and steep liquor**. The products find application in **Textiles, Paper, Pharmaceutical, Food, Adhesives, Animal Nutrition & many other industries**. Noval application such as bio polymers, bioethanol, biomaterials, mock meats also boost the demand for starch.

Sourcing: Sanstar sources its maize through various channels, including mandi procurement, local stock houses, and direct farmer buying. This multifaceted approach allows Sanstar to ensure a consistent supply of high-quality maize while supporting local farmers and communities.

Key Clientele: Sanstar has a reputed clientele of companies such as AB Mauri, ITC, Capital Foods, Hindustan Unilever Ltd and Godrej Agrovet and Zydus wellness in domestic market. Sanstar has a strong presence in states of Maharashtra, Gujarat, and Andhra Pradesh. Sanstar is making strides in markets of Telangana, Tamil Nadu, Madhya Pradesh, and Bihar. In exports markets, Sanstar supplies starch and other products to ~49 countries with Malaysia, Kenya and Vietnam being the top importers.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Please see “Forward-Looking Statements” and “Risk Factors” on pages 22 and 34, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve-month period ended March 31 of that year.

Pursuant to the Scheme of Amalgamation entered into between our Company and Sanstar Biopolymers Limited (“Transferor Company”) under Section 232 of the Companies Act, 2013 and approved vide order dated November 23, 2023 passed by NCLT, Ahmedabad, the Transferor Company’s Undertaking (as defined in the chapter titled Definitions and Abbreviations on page 3 of this RHP) was merged with our Company with effect from November 23, 2023. Also, our Company has made capital contribution in ECL aggregating to the ratio of 99.99% vide Supplementary Agreement dated December 18, 2023 read with Limited Liability Partnership Agreement dated January 21, 2019. We have included in this RHP, the Restated Consolidated Financial Statements (to be read in conjunction with “Management’s Discussion and Analysis of Financial Position and Results of Operations – Basis of Preparation of the Restated Consolidated Financial Information” on page 373) for Fiscal 2024, 2023 and 2022 to demonstrate the results of operations and the financial position.

Industry and market data used in this section have been extracted from the Frost & Sullivan Report. For further details and risks in relation to the Frost & Sullivan Report, see “Risk Factors – Certain sections of this Red Herring Prospectus contain information from the report on our industry titled “This Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from F&S, appointed by our Company exclusively for the purpose of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 61 and “Certain Conventions, Presentation of Financial, Industry and Market Data” on page 18.

To obtain a complete understanding of our business, please read this section in conjunction with “Risk Factors”, “Industry Overview”, and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 34, 144 and 357, respectively, as well as the financial, statistical and other information contained in this Red Herring Prospectus. For KPIs that have bearing on the basis for the Offer Price and which have been previously shared with investors in the three year period preceding the date of this Red Herring Prospectus, please see “Basis for Offer Price” on page 128.

Overview

We are one of the major manufacturers of plant based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications (*Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024*). Our products include liquid glucose, dried glucose solids, maltodextrin powder, dextrose monohydrate, native maize starches, modified maize starches and co-products like germs, gluten, fiber and enriched protein, amongst others. Our speciality products and ingredients solutions add taste, texture, nutrients and increased functionality to (i) foods as ingredients, thickening agents, stabilizers, sweeteners, emulsifiers and additives (in bakery products, confectionery, pastas, soups, ketchups, sauces, creams, deserts, amongst others), (ii) animal nutrition products as nutritional ingredients, and (iii) other industrial products as disintegrants, excipients, supplements, coating agents, binders, smoothing & flattering agents, finishing agents, among others.

As per Frost & Sullivan (*Company Commissioned Report, dated May 18, 2024*), with an installed capacity of 3,63,000 tons per annum (1,100 tons per day), we are the fifth largest manufacturer of maize based speciality products and ingredient solutions in India. We believe that our leading position in the industry, technical knowledge to bring specific functionality and nutrition to end products, more than five decades of presence, state of the art manufacturing facilities, diverse product portfolio and clientele in domestic and global markets, provide us with competitive advantage.

We are a recognised Two Star Export house from Director General of Foreign Trade, Government of India, while Sanstar Biopolymers Limited, the erstwhile Company which was merged with our Company pursuant to NCLT, Ahmedabad order dated November 23, 2023, is a recognised Three Star Export House. During Fiscal 2024, our revenue from exports was ₹ 3,944.38 million respectively, representing 35.53 % of our Gross Revenue from Operations, on the basis of our Restated Consolidated Financial Statements. We exported our products to 49 countries across Asia, Africa, Middle East, Americas, Europe and Oceania, during Fiscal 2024, on the basis of our Restated Consolidated Financial Statements. Additionally, our Company has footprints across India, with its products being sold in 22 states on the basis of our Restated Consolidated Financial Statements, as on the date of this Red Herring Prospectus.

Our two manufacturing facilities spread across cumulative area of 10.68 million square feet (approximate 245 Acres) are located at Dhule in the state of Maharashtra and Kutch in the state of Gujarat. Our Dhule Facility is the latest, sustainability focused, state of the art, automated facility and has been designed by our in-house team of 24 engineers. Our manufacturing facilities are strategically located in terms of both proximity to our raw material sources i.e. maize harvesting belts as well as seaports of Mundra, Kandla, Hazira and Nhava Sheva, for exports of our finished products. Our Dhule Unit has been duly certified in accordance with FSSAI, FSSC 22000:2018, Kosher, HALAL, International Standards for Quality Management Systems as per ISO 9001:2015 and SGS's Certificate for India's National Programme for Organic Production Standards, amongst others. Similarly, our Kutch unit is registered with United States Food and Drug Administration (USFDA) and also hold certifications like FSSAI, HACCP, HALAL, ISO 9001:2015.

The following table sets forth a breakdown of our Gross Revenue from Operations from various industry segments, in absolute terms and as a percentage of Gross Revenue from Operations, for the periods indicated:

On the basis of our Restated Consolidated Financial Statements:

Industry / Sector	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in Million	% of Gross Revenue from Operations
Food	6,451.93	58.12	7,720.83	61.25	3,044.45	59.11
Animal Nutrition	1,160.06	10.45	1,275.67	10.12	649.74	12.62
Other Industrial Applications	3,489.05	31.43	3,608.94	28.63	1,456.24	28.27
Gross Revenue from Operations	11,101.04	100.00	12,605.44	100.00	5,150.43	100

Diversified Sales Channel Ensuring Global Coverage

Our customer base can be broadly classified as follows:

- **Manufacturers of end products:** They are manufacturers of end products under their own brand or are contract manufacturers of end product for other organisations. They use our products directly as ingredients/ raw materials in the end product. For e.g. confectionery manufacturers, pharmaceutical formulations manufacturers, edible oil manufacturers, bakery product manufacturers, animal nutrition product manufacturers, adhesive manufacturers, paper products manufacturers, etc.
- **Manufacturers of ingredients / agents / excipients:** They are manufacturer of ingredients / agents / excipients for their clients who ultimately use these products in their end products meant for consumers.

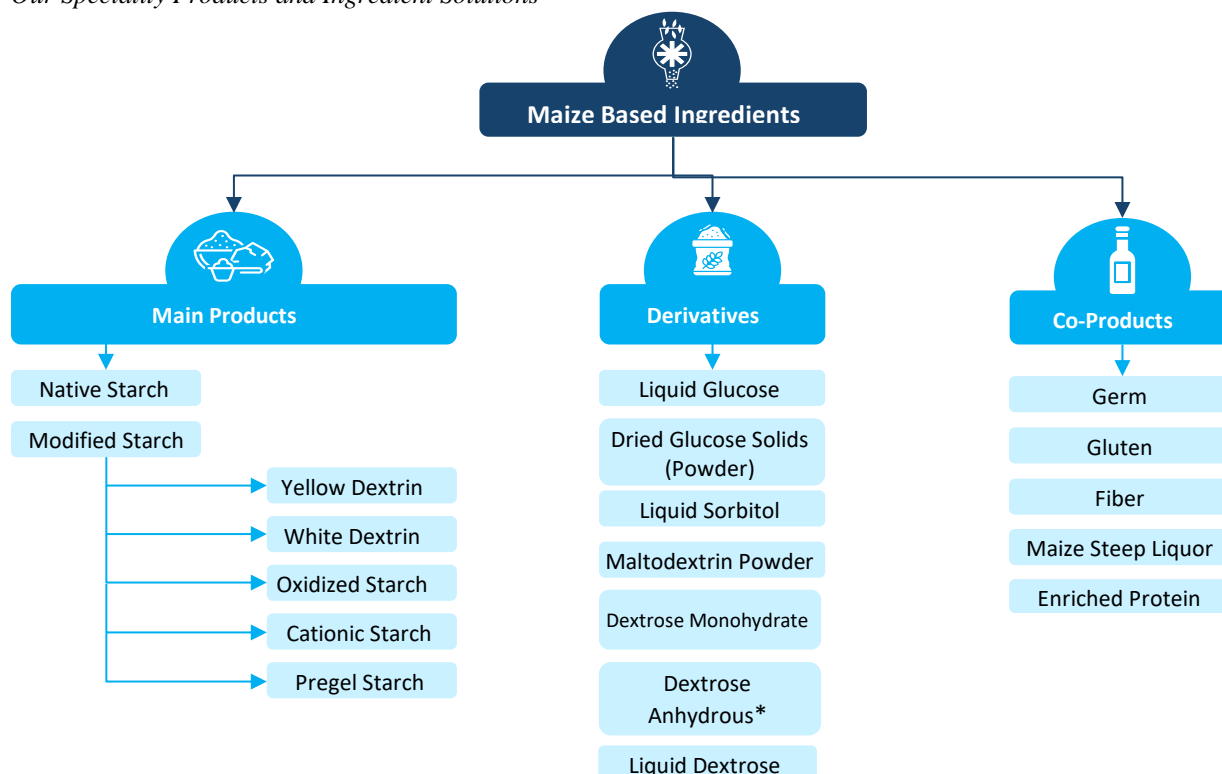
- **Distributors / Traders / Aggregators / Indenting Agents:** They are aggregators / stockists of various ingredients and solutions who supply to end user companies / ingredient manufacturers. We sell our products to distributors in bulk as per the specifications provided by them who in turn supply to their customers.

Geography wise sales on the basis of Restated Consolidated Financial Statements:

Product	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Domestic Sales	7,156.66	64.47	8,828.71	70.04	4,962.66	96.35
Exports Sales	3,944.38	35.53	3,776.73	29.96	187.77	3.65
Gross Revenue from operations	11,101.04	100.00	12,605.44	100.00	5,150.43	100.00

Broad description of Products and Applications

Our Speciality Products and Ingredient Solutions



*Proposed

The table produced below sets forth the information of our speciality products and ingredient solutions, their description and applications:

Product Name	Brief description	Major Applications
Native Maize Starch	Native starch is powder obtained from starchy part of maize	Foods (processed foods, bakery, confectionery), Pharmaceuticals

Product Name	Brief description	Major Applications
Modified Maize Starch	Prepared by physically, enzymatically, or chemically by treating native starch to change its properties	Pharmaceuticals, Paper
Yellow Dextrin	Water-soluble produced using less acid & high temperatures for a long time-period. The Yellow Dextrin is used to produce high solids pastes (40-60%).	Adhesives, Dyes, Abrasives, Packaging
White Dextrin	Water-soluble optically active solutions of low viscosity which is white in colour	Pharmaceuticals, Paper, Textile, Explosive Metal Azides
Liquid Glucose	A clear, viscous, colourless solution with functional properties including viscosity, humectancy, high fermentability, colligative properties, along with imparting sweetness.	Food (confectionary, candies, syrups, bakery, ready to eat sweets), Pharmaceutical
Dried Glucose Solid	Dried Glucose Solids is in uniform powdered format with high bulk density, equivalent to sucrose, yet with lower sugar content	Food (confectionary, jams, jellies, preserves, syrup toppings)
Maltodextrin	Maltodextrin is a polysaccharide with major application as a thickener and a food additive. Partial hydrolysis is used to produce it from starch. Maltodextrin occurs as a white hygroscopic spray-dried powder	Food (additives, anti-caking agents, bulking agent, food flavour carrier and in artificial sweeteners)
Liquid Dextrose	The crystallized or liquid form of D-glucose made by full hydrolysis of starch used as sources of carbohydrates or as soluble carrier	Bio-Industry & Fermentation-Processing Aids, Plant Care - Fertilizers, Nutrients
Dextrose Monohydrate	Monohydrate form of D-glucose which is a natural Monosaccharide and Carbohydrate. Dextrose Monohydrate has a sweet taste and is used as a sweetener and texturizing agent. It is also used as a fermentation substrate.	Pharmaceuticals (nutritional supplement), Food (confectioneries, jams, jellies; bakery, biscuits, cookies), Beverages, Animal Nutrition
Liquid Sorbitol	It is a bulk sweetener with excellent humectant and texturizing agent. Sorbitol is about 60% as sweet as sucrose offering one-third fewer calories.	Food (processed foods, bakery, confectionery, and seafood), Personal Care (incl. CosmeASTics), Pharmaceuticals
Co-products	Germ, Gluten, Fiber, and Maize steep liquor	Food, Animal Nutrition

Source: Frost & Sullivan Report

Research & Development

We have an in-house Research and Development (R&D) team comprising of ten (10) personnel as on March 31, 2024 and the employees of our in-house R&D team having an overall collective experience of atleast 40 years. Our R&D facility is spread across approximate 2,200 square feet of area and is equipped for research and testing. By way of our R&D activities, our Company has developed san-o-gel pre-gelatinized starch and san-o-mould (mould starch) having their application in oil & gas industry and food industry respectively. The table below sets forth the details of expenditure incurred by the Company towards its R&D activities during the Fiscals 2024, 2023 and 2022 as per the Restated Consolidated Financial Statements.

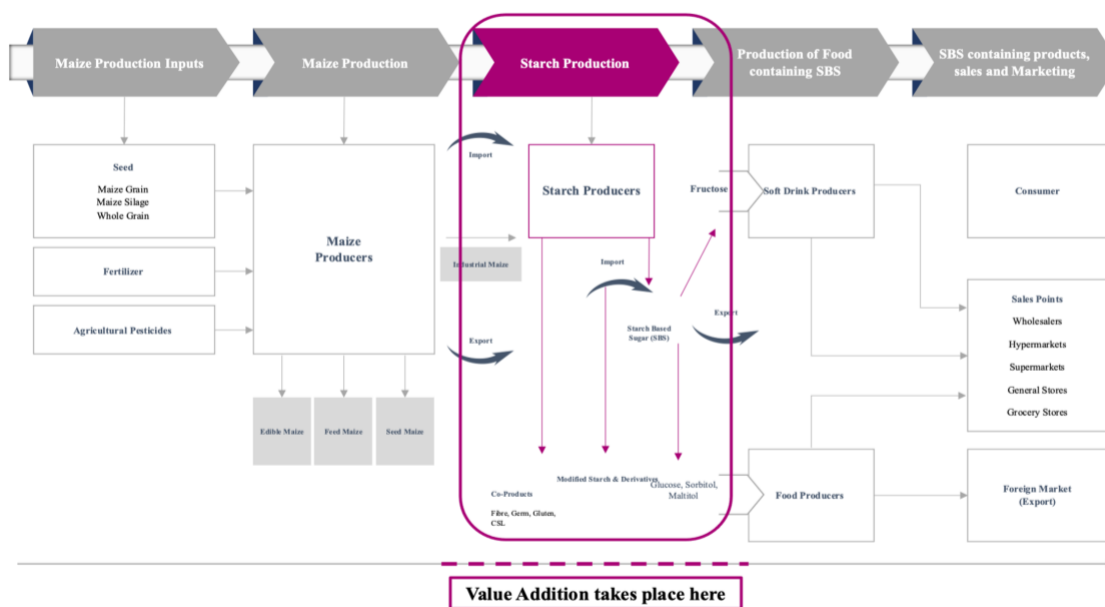
Particulars	<i>(₹ in million)</i>		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Laboratory Equipment expenses	-	0.26	-
Laboratory and Chemical expenses	2.02	1.05	1.18
Salary Expense	4.02	3.21	1.83
Total	6.04	4.52	3.01

Our products are subjected to quality testing and assurance processes before being packed and dispatched to customers. Our quality control and assurance team comprises 27 personnel. Based on the type and nature of the product, the testing and quality team performs various tests on the finished products including but not limited to microbial, sugar profiling, nitrogen analysis and carbohydrate analysis.

The table below sets forth the number of instances of rejection of products of the Company during Fiscals 2024, 2023 and 2022.

Product	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Number of rejections	₹ in million	Number of rejections	₹ in million	Number of rejections	₹ in million
Starches	33	42.01	49	49.67	20	15.13
Derivatives	18	21.89	2	2.19	1	1.37
Co-Products	13	16.24	57	80.26	21	40.86
Total	64	80.14	108	132.12	42	57.36

Value Chain of Maize based Speciality Products and Ingredients



Source: F&S Report dated May 18, 2024.

Our Company is led by our Promoters comprising our Chairman and Managing Director Gouthamchand Sohanlal Chowdhary and our Joint Managing Directors, Sambhav Chowdhary and Shreyans Chowdhary, who cumulatively have over 60 years of exposure of managing the business dealing in our industry segment. Each of our Promoters is actively involved in the critical aspects of our business, including manufacturing, procurement, finance, process and plant engineering, sales and marketing, among others.

Raw Material and Suppliers

The principal raw material required for manufacturing the Company's products is 'maize'. Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Facilities and suppliers in mandis which are unorganized marketplaces. In addition to maize, certain other consumables and chemicals are also used during the manufacturing process by the Company.

The Company procures raw materials from a wide range of suppliers including farmers and mandis. As per the Restated Consolidated Financial Statements, the Company's cost of raw material procured from local farmers, mandis and outsiders for Fiscals 2024, 2023 and 2022 is provided below.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of total purchases	₹ in million	% of total purchases	₹ in million	% of total purchases
Farmers	1,462.26	16.03	827.08	8.60	279.03	7.24
Mandis and Outsiders	7,660.81	83.97	8,787.55	91.40	3,573.33	92.76
Total Purchase	9,123.07	100.00	9,614.63	100.00	3,852.36	100.00

All the raw material suppliers of our Company are domestically located and our Company does not procure any raw material from suppliers located overseas. Further, our Company does not enter into any contracts / agreements with its raw material suppliers. For further, details, please refer to risk factors titled 'Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Units and suppliers in 'mandis' which are un-organized marketplaces' in the chapter titled 'Risk Factors' on page 48 of this RHP.

The details of top five (05) and top (10) raw material suppliers vis-à-vis our total purchases as per our Restated Consolidated Financial Statements are set out below.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of total purchases	₹ in million	% of total purchases	₹ in million	% of total purchases
Top five (5) suppliers	2,407.02	26.38	1,526.53	15.88	1,635.13	42.44
Top ten (10) suppliers	3,181.85	34.88	2,097.47	21.82	2,056.27	53.38

Note: The data for Top 5 and Top 10 Suppliers disclosed above has been calculated after excluding procurement from maize producing farmers as the number of maize farmers is voluminous.

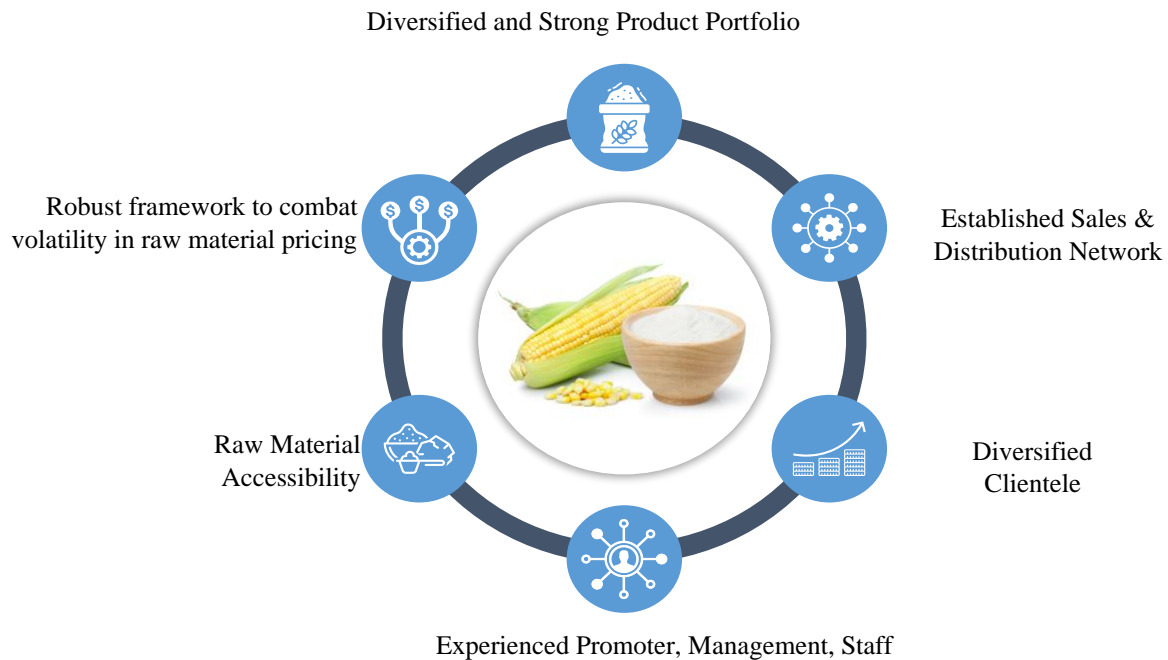
Plant and Machinery

As on date of this RHP, our Company has two Manufacturing Facilities at Dhule, Maharashtra and Kutch, Gujarat, the details of which are provided below.

Facility	Address	Products	Incorporation
Dhule	Gat no. 267, 268, 407/1, 407/2, 355/1, 355/2, 355/3, 356, 357, 358, 359, 360, 361 Village: Karvand, Shirpur Taluka, District, Dhule – 425405, Maharashtra, India.	Native Starches, modified starches, derivatives and co-products	2017
Kutch	Survey no. 459, 460, 463/1 and 462 Village Morgar, Bhachau, Kachchh – 370020, Gujarat, India.	Native Starches, modified starches, derivatives and co-products	2006

Our Competitive Strengths

Overview of competencies required in speciality products and ingredient solutions industry:



Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024

One of the largest manufacturers of maize based speciality products and ingredient solutions in India with diverse product portfolio; We have grown with Revenue and PAT CAGR of 45% and 105% over Fiscal 2022-2024

As per Frost & Sullivan (*Company Commissioned Report dated May 18, 2024*), we are the fifth largest manufacturer of maize based speciality products and ingredient solutions in India. We commenced commercial manufacturing from our manufacturing facilities located at Kutch, Gujarat and Dhule, Maharashtra in the year 2006 and 2017 respectively and have grown our business to the current scale with an installed capacity of 363,000 tons per annum (1,100 tons per day) (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*). We are a recognised Two Star Export House from Director General of Foreign Trade, Government of India (while Sanstar Biopolymers Limited, the erstwhile Company which was merged with our Company *vide* NCLT order dated November 23, 2023, is a recognised Three Star Export House). Under paragraph 1.25 read with paragraph 1.26 of the Foreign Trade Policy – 2023 ('FTP 2023'), a 'two star export house status holder' shall mean an exporter having an IEC number exceeding export performance of \$ 15 million in preceding three Fiscals. Further, under paragraph 1.25 read with paragraph 1.26 of the FTP 2023, a 'three star export house status holder' shall mean an exporter having an IEC number exceeding export performance of \$ 50 million in preceding three Fiscals. We exported our products to 49 countries across Asia, Africa, Middle East, Europe & Oceania and Americas, during the Fiscal ended March 31, 2024 on the basis of our Restated Consolidated Financial Statements.

Our Company offers a diversified portfolio of speciality products and ingredient solutions including liquid glucose, dried glucose solids, maltodextrin powder, dextrose monohydrate, native maize starch, modified maize starches and co-products like germs, gluten, fiber and enriched protein, amongst others. As per the Frost & Sullivan Report (*Company Commissioned Report dated May 18, 2024*), these products find applications in a wide array of industries including food and beverages, pharmaceuticals, animal nutrition, adhesives, textiles, paper, amongst others. Our Company's product mix determines our revenue and it changes based on the market prices and level of demand for completed goods.

The following table sets forth the information on our product mix in terms of revenue contribution in the periods indicated therein:

On the basis of our Restated Consolidated Financial Information:

Product	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Starches	7,012.05	63.17	8,118.07	64.40	3,012.18	58.48
Derivatives	718.62	6.47	668.78	5.31	51.09	0.99
Co-Products	1,829.61	16.48	2,160.55	17.14	1,718.65	33.37
Others	1,540.76	13.88	1,658.04	13.15	368.51	7.15
Gross Revenue from operations	11,101.04	100	12,605.44	100	5,150.43	100.00

We have experienced sustained growth in various financial indicators including our revenue, profitability, cash flows and returns as well as consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth. We have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations has increased at a CAGR of 45.46% from ₹ 5,044.02 million in Fiscal 2022 to ₹ 10,672.71 million in Fiscal 2024 while our profit after tax has grown at a CAGR of 104.79% from ₹ 159.21 million in Fiscal 2022 to ₹ 667.67 million in Fiscal 2024, on the basis of our Restated Consolidated Financial Statements.

We believe that our diversified product portfolio, established market position, our commitment to quality and large capacities have enabled us to establish a strong market presence and has provided us with increased visibility domestically as well as globally. We believe that our presence in various markets reduces our dependence on any single market and minimises the risk of any adverse developments or material changes in economic outlook in any single market. Through our experience in the speciality products and ingredient solutions industry and we have been able to add derivative products to our product portfolio which is expected to be one of the major drivers of our growth going forward.

Speciality products and ingredients solutions player catering to diverse industry segments and poised to benefit from mega industrial trends

We are a speciality products and ingredients solutions company manufacturing native and modified maize starches, derivatives and co-products for applications including ingredients, thickening agents, stabilizers, sweeteners, emulsifiers, additives, nutritional ingredients, disintegrants, excipients, supplements, coating agents, binders, smoothing & flattering agents, finishing agents, amongst others, across diverse end user industries. Our manufacturing facilities, our exports presence & exposure in over 49 countries and our track record of commercialising and scaling up new products, position us advantageously to capture requirements of diverse end user industrial sectors.

We believe that growth of our business is directly linked to the growth in end user industries including food and beverages, animal nutrition, pharmaceuticals, adhesives, personal care, paper, textiles, among others.

The table below sets forth the detailed applications across end user industries:

Industry	Applications
Food	<ul style="list-style-type: none"> • In custard, desserts, sauces, instant foods, tablets, baked foods, confectioneries, pastas, soups and mayonnaise; • As thickening agents, stabilizers and emulsifiers in various foods; • In cream fillings, gravies, tomato ketchup, pasty creams, dairy desserts • In confectionary, candies, syrups, ready to eat sweets, bakery

Industry	Applications
	<ul style="list-style-type: none"> Used as sweetener and bodying agent in confectionary products, jams, jellies, preserves, syrup and toppings. Food additive, anti-caking agent, bulking agent, and food flavour carrier, artificial sweeteners
Animal Nutrition and Medicine	As protein and energy supplement, yield enhancer, binding or pelleting agent, expanding agent, as stabilizing, thickening, anticaking, and bulking agent, buffering agent in veterinary medicine
Other Industrial Applications	<ul style="list-style-type: none"> As disintegrants, coating- thickening-binding agents, excipients, granulating agents for tablet coating, supplements to replenish lost nutrients and electrolytes (including in ORS), intravenous fluids to provide nutrients to patients under intensive care, tablet and capsule diluent, glidant in Pharmaceuticals as nanoparticles to stabilize emulsions, pickering emulsions, which are useful in cosmetics, as humectant, texturizer, stabilizer, bulking agent in Personal Care products As binders in adhesives. As ingredients for paper converting, coatings, surface sizing solution for paper processing, wet end additives, flocculant, binder, and bonding agent, aesthetic ingredient Starch Ether is used in Dry Mix Building Mortar as it increases the performance, sag resistance, and consistency of mortar Applications of biopolymers derived from modified starch include packaging, adhesives, agriculture, superabsorbent and wastewater treatment Flavour compounds with low solubility can form complexes with high-amyllose maize starch, providing novel encapsulation and monetary benefits. Modified starches are used in encapsulated perfume particles which are then used in laundry compositions

Growth in end-use industries:

End Industry	Global Market CAGR (CY 2023-2027)	Indian Market CAGR (CY 2023-2027)
Pharmaceuticals	5.9%	6.9%
Animal Nutrition	7.3%	8.2%
Snacks	6.3%	9.0%
Confectionery	5.9%	8.9%
Convenience Foods	6.8%	9.9%
Sauces and Spices	6.5%	8.5%
Spreads	6.6%	6.9%
Paper	3.2%	4.1%
Apparels	2.8%	3.6%

We believe that the increasing demand of maize based speciality products and ingredient solutions in food and beverages, animal nutrition, pharmaceuticals, adhesives, paper, textiles, etc. from developing economies like India is likely to increase the consumption of these ingredients (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*).

Our strategically located, sustainability driven, state of the art manufacturing facilities

Our Dhule Facility in Maharashtra: Strategically located, state of the art, highly automated, sustainability focused facility with ample scope for expansion



- *Large land with ample scope for future expansion:* Our Dhule Facility in Maharashtra is our latest and largest manufacturing facility which commenced operations in the year 2017. It is located on an aggregate land area of 7.90 million square feet (approximate 181 acres) of which 2.46 million square feet (approximate 56 acres) is available for future expansion. This facility has an aggregate installed capacity of 247,500 tons per annum (750 tons per day) as on March 31, 2024 (as certified by the Chartered Engineer Kirtesh Kumar G Shah, The Institution of Engineers India, Membership No. : AM096642-0, vide certificate dated April 19, 2024).
- *Automation:* It is highly automated and is equipped with Supervisory Control and Data Acquisition (‘SCADA’) and PLC Automation Systems, enabling us to manufacture products such as native starches, modified starches and yellow dextrin, minimize the number of employees required, and as a result, reduce cost and human error. Our Company has been using SCADA based automation system at the Dhule Facility leading to:
 - Substantial reduction of time to perform tasks;
 - Higher manufacturing rates;
 - Quicker turnaround time;
 - Continues operation of the automated machinery resulting into overall manufacturing efficiency;
 - Better data collection and processing.
- *Sustainability focused:* Our Company has installed a bio-gas plant with an installed capacity of 1.56 megawatt to generate electricity from environment friendly, sustainable means. Biogas generated from starch plant waste can be utilized as a renewable energy source through anaerobic digestion. This process breaks down organic matter, including starch co-products, to produce biogas, primarily methane and carbon dioxide. This biogas can be used as a fuel for generating electricity and heat, providing an energy source for the plant’s operations. Additionally, the utilization of biogas in place of fossil fuels reduces greenhouse gas emissions, contributing to a carbon-positive impact by preventing methane release (a potent greenhouse gas) from decomposing organic waste while offsetting the use of non-renewable energy sources. Our Company has also installed solar plant of 3.6 megawatt capacity to generate electricity. Additionally, our Dhule Facility is covered by dedicated green area having Mango and Custard Apple Orchards.

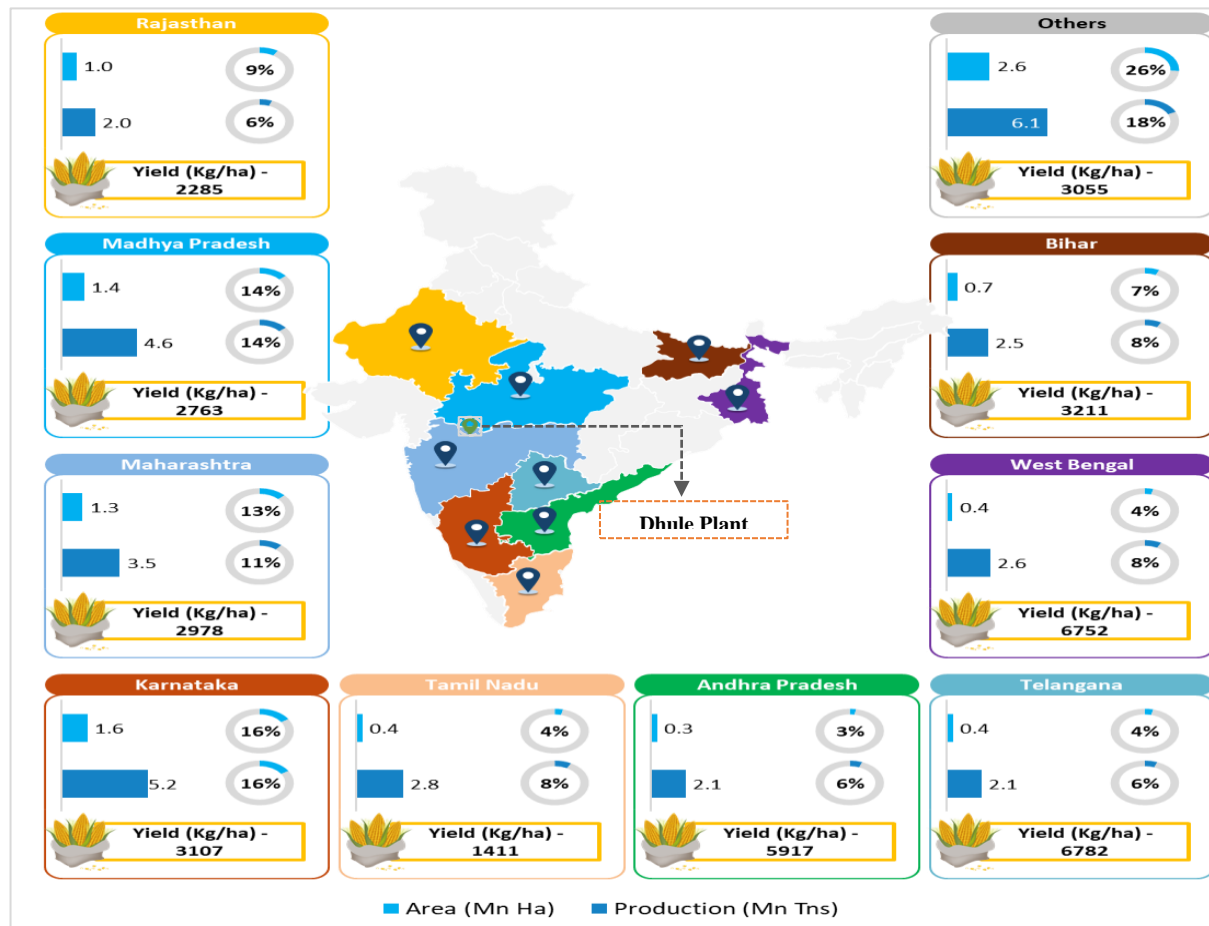
- *Strategic location:* Our Dhule Facility is located in the maize production belt of Maharashtra and Madhya Pradesh which account for around 25% of the country’s total maize production. This allows us to procure maize, which is our largest raw material, at competitive prices and lower freight costs. Being tactically located in raw material belts, our Company enjoys the benefit of one of the lowest procurement costs for maize in the industry. (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*). Additionally, our close proximity to maize production belt also ensures ample and immediate availability of raw materials. It has proximity to Mumbai Agra National Highway and also, the nearest port is Nhava Sheva, which is approximately 410 kilometres from our Dhule Facility.

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- *Storage infrastructure:* Our Company has more than 50,000 MT of maize storage silos and finished goods storage at the Dhule Facility which helps in reducing the costs of handling losses, transportation as well as reduces costs attached with outside third-party storage rents. Company is also working with Indian railways and has made an application for a railway siding unit at Nardana, which may further bring down the logistic cost of transportation of maize.



State-wise Maize Production in India financial year 2022-23



Source: Frost & Sullivan report dated May 18, 2024.

Our Company proposes to expand the capacity of the Dhule Facility by utilising the existing land available for expansion. The capital expenditure for the proposed expansion is estimated at ₹ 2,015.55 million, which is proposed to be funded entirely out of the Net Proceeds of this Offer. Once operational, the aggregate installed capacity of the Dhule Facility is expected to be at 1,750 tons per day (Source: Company commissioned TEV Report from Dun & Bradstreet dated May 18, 2024).

Our manufacturing facility at Kutch in Gujarat: USFDA registered, sustainability focused, strategically located facility.

- Our manufacturing facility at Kutch is registered with the United States Food and Drug Administration (USFDA) for this facility in August 2023 which is valid upto December 2024.
- *Large land with ample scope for future expansion:* Our manufacturing facility at Kutch, Gujarat had commenced operations in the year 2006. It is located on an aggregate land area of 2.77 million square feet (approximate 64 acres) of which 1.84 million square feet (approximate 42 acres) is available for future expansion. This facility has an aggregate installed capacity of 350 tons per day, as on March 31, 2024 (as certified by the Chartered Engineer Mr. Kirtesh Kumar G Shah, The Institution of Engineers India, Membership No. : AM096642-0, vide certificate dated April 19, 2024)

- *Sustainability focused:* In the year 2011, we had installed a bio-gas plant at our Kutch facility with an installed capacity of 945 kilowatt to generate electricity from environment friendly and sustainable means.
- *Strategic location:* Our Kutch facility is located in close proximity to the seaports of Mundra and Kandla which are located at approximate 55 kilometers and 100 kilometers away respectively.
- *Storage infrastructure:* Our Kutch facility has maize storage area admeasuring around 13,670 square feet and finished goods storage area of 25,850 square feet, allowing us to store large quantities of raw materials and finished goods.

We believe that large, state of the art manufacturing facilities alongwith availability of land for future expansion at both the facilities provide us sufficient competitive advantage for future growth and further scaling up of our business. Additionally, our sustainability focused manufacturing capabilities enable us to add additional clientele in both international and domestic markets due to their increased focus on having sustainability driven vendors.

Global presence in a market with high entry barriers

On the basis of our Restated Consolidated Financial Statements, we have sold our products to 49 countries across Asia, Africa, Middle East, Europe, North America, South & Central America and Oceania regions during Fiscal 2024. Our top export destinations include Malaysia, Vietnam, Kenya, Indonesia, United Arab Emirates, Nigeria, Sri Lanka, Ghana, Thailand, among others. We are a recognised Two Star Export House under the Indian Ministry of Commerce (while Sanstar Biopolymers Limited, the erstwhile Company which was merged with our Company is a recognised Three Star Export House).

The maize based speciality products and ingredient solutions industry in which we operate has high entry barriers, which include the high capital costs of building manufacturing facilities, the lead time and expenditure required for research and development and building customer confidence and relationships which can only be achieved through a long gestation period, the limited availability of raw materials necessary for manufacturing due to alternative applications of the raw materials, certain level of capacities required for achieving economies of scale, competition from well established players like us, among others. (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*).

Given the nature of the application of our products and the processes involved, our products are subject to, and measured against, high quality standards and product approval systems and specifications. We have developed relationships with our customers over the years, established strategic, state of the art manufacturing facilities, and has proven to be a reputable producer with a track record of providing high quality products. According to Frost & Sullivan (*Company Commissioned Report, dated May 18, 2024*), we have fifth largest capacity in the Indian maize based speciality products and ingredient solutions industry and are well headed into expansion of 1,000 tons per day at the Dhule Facility. Post the expansion, our Company is estimated to be the third largest manufacturer in maize based speciality products and ingredient solutions industry in India. (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*).

Further, sourcing of raw maize is very crucial to our business operations as it involves multiple factors including building long term relationships with the farmers, traders and aggregators to source large volumes, proximity to the production belts for cost efficiency, procurement timing and pricing, crop quality assessment and grading capabilities, crop prediction skills based on weather patterns, among others. We believe that success across these factors can only be achieved over a period of time, which creates entry barriers for new market entrants. We believe our management team and experienced personnel have the skills and expertise necessary for procurement of maize, efficiently.

Additionally, the Business to Business (B2B) nature of our business creates significant exit barriers for our customers as well. Our products find application across diverse end industries globally, including food, animal nutrition and various industrial applications which are subject to various rules and regulations across geographies. This leads to our

customers performing rigorous quality checks and tests on our products right from the sample sharing stage to the commercial manufacturing stage, which involve time and resources on the part of our customers. Given this, the customers generally do not prefer to change the suppliers frequently and results into the propensity amongst the customers to continue with the same set of suppliers. (Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024)

Our Dhule Facility in Maharashtra is highly automated and operates on SCADA which provides us with increased efficiency, improved product quality, cost savings, enhanced safety and flexibility and adaptability to respond to change, creating further barriers for new entrants. (Source: Company Commissioned Report from Frost & Sullivan, May 18, 2024). Our Dhule Facility also has a 50,000 MT of maize storing warehouse which enables us to stock large stock of maize to meet any kind of demand scenarios. Additionally, we also have a R&D facility at Ahmedabad, Gujarat which enables our Company to constantly develop and test maize based speciality products and ingredient solutions for diverse applications. (Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024).

Strong financial growth alongwith robust performance metrics

We have a strong balance sheet with growing cash flows. We have experienced sustained growth in various financial indicators including our revenue, profitability, cash flows and returns as well as consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth. We have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations has increased at a CAGR of 45.46% from ₹ 5,044.02 million in Fiscal 2022 to ₹ 10,672.71 million in Fiscal 2024 while our profit after tax has grown at a CAGR of 104.79% from ₹ 159.21 million in Fiscal 2022 to ₹ 667.67 million in Fiscal 2024, on the basis of our Restated Consolidated Financial Statements. The value of our exports has grown at a CAGR of 358.33% from ₹ 187.77 million in Fiscal 2022 to ₹ 3,944.38 million in Fiscal 2024, on the basis of our Restated Consolidated Financial Statements. Our exports contributed to 35.53% % in our Gross Revenue from Operations during Fiscal 2024.

The table below summaries the Key Performance Indicators (KPIs) for the periods indicated:

As per the Restated Consolidated Financial Statements

<i>(₹ in million except per share data or unless otherwise stated)</i>			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations ⁽¹⁾	10,672.71	12,050.67	5,044.02
EBITDA ⁽²⁾	981.41	724.47	397.20
EBITDA Margin (%) ⁽³⁾	9.20	6.01	7.87
PAT ⁽⁴⁾	667.67	418.05	159.21
PAT Margin (%) ⁽⁵⁾	6.17	3.46	3.15
EPS - Basic & Diluted ⁽⁶⁾	4.75	2.98	1.08
Total Borrowings ⁽⁷⁾	1,276.36	1,117.00	852.24
Net worth ⁽⁸⁾	2,159.12	1,492.81	489.67
ROE (%) ⁽⁹⁾	30.92	28.00	32.51
ROCE (%) ⁽¹⁰⁾	25.43	23.82	23.19
Debt - Equity Ratio ⁽¹¹⁾	0.50	0.60	1.00
Fixed Assets Turnover Ratio ⁽¹²⁾	5.28	6.16	3.79
Net Cash from/ (used in) Operating Activities ⁽¹³⁾	285.97	(60.17)	297.14
No. of Plants ⁽¹⁴⁾	2	2	1
Total installed capacity in metric tonnes per day ⁽¹⁵⁾	1,100	1,100	750
No. of customers ⁽¹⁶⁾	525	541	215
Export presence (no. of countries) ⁽¹⁷⁾	49	49	5
Revenue CAGR (%) ⁽¹⁸⁾			45.46
EBITDA CAGR (%) ⁽¹⁸⁾			57.19
PAT CAGR (%) ⁽¹⁸⁾			104.79

As certified by M/s S. C. Bapna & Associates, Chartered Accountants, Statutory Auditor of our Company, vide their certificate dated May 22, 2024.

- 1) Revenue from operations is calculated as revenue from sale of products as per the Restated Consolidated Financial Statements ;
- 2) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
- 3) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
- 4) PAT represents total profit after tax for the year / period;
- 5) PAT Margin is calculated as PAT divided by total income;
- 6) Basi and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.
- 7) Total Borrowings are calculated as total of current and non-current borrowings;
- 8) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
- 9) ROE is calculated as PAT divided by net worth
- 10) ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth as defined in (8) above + total current & non-current borrowings– cash and cash equivalents and other bank balances;
- 11) Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & non-current borrowings; total equity means sum of equity share capital and other equity;
- 12) Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total of property, plant & equipment. Figures for property, plant & equipment do not include capital work-in-progress.
- 13) Net Cash from/ (used in) Operating Activities is calculated as Net Cash from/ (used in) Operating Activities as per the Restated Consolidated Financial Statement.
- 14) No of Plants indicates the number of manufacturing facilities operated by the Company.
- 15) Total installed capacity is the maize crushing capacity of the Company in metric tonnes per day.
- 16) No. of customers is the aggregate customers served by the Company.
- 17) Export presence is the no. of global countries to which the sales are made by the company.
- 18) CAGR = Compounded Annual Growth Rate

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet and positive operating cash flows coupled with decreasing levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which are factors critical to our business.

Two Generations of Promoters with domain knowledge

Manufacturing of speciality products and ingredient solutions requires an experienced and sound team with expertise in efficient and cost-effective procurement, technical understanding of manufacturing process, understanding of customers' requirements and building long term relationships with them, among others. Management having significant experience with highs and lows of this sector have advantage over the competition. (Source: *Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*).

Our Promoters and senior management team possess relevant exposure and acumen in the speciality products and ingredient solutions industry across maize procurement, supplier and farmer relationships management, business development, product research and development, finance, operations, administration, marketing and human resource management. We leverage the understanding and the exposure of our management and professional team comprising inter-alia, our Chairman and Managing Director, Gouthamchand Sohanlal Chowdhary, our Joint-Managing Director Sambhav Gautam Chowdhary, our Joint-Managing Director, Shreyans Gautam Chowdhary, our Head of Purchase and Procurement Ruchit Patel, our Chief Financial Officer Harishkumar Shisupaldas Maheshwary, among others, in managing our operations and tapping new growth avenues. The knowledge and exposure of our Promoters and our management team provide us with a competitive advantage as we seek to grow our existing markets and enter new geographical markets.

Notably, Gouthamchand Sohanlal Chowdhary, our Promoter and Chairman and Managing Director, has industry exposure and has been contributing significantly in determining our strategic direction and future growth path. Additionally, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary being the Promoters and Joint Managing Directors of our Company also have exposure in the industry.

We believe that the strength of our Board and management team and their exposure has enabled us to take advantage of market opportunities, serve our customers better and procure our raw materials in cost-effective manner.

Well positioned to leverage the large opportunities in speciality products and ingredient solutions industry

Our established market position in the industry is a reflection of our vast experience, large capacities and lasting customer relationships, which enables us to tap the large potential and opportunities in our existing and future products. Below are the factors driving the growth in Indian Maize based Speciality Products and Ingredient Solutions market:

1. Abundant availability of Raw Material:

According to Frost & Sullivan (*Company Commissioned Report, dated May 18, 2024*), India is major producer of maize globally, ranked 6th in the world's maize production and 4th in terms of maize acreage. Across 205.87 Mn Ha, 1.21 billion MT of maize was produced worldwide. Maize is 3rd most grown cereal after paddy and wheat in India. Rising demand of maize for Ethanol production will also push Indian farmer to increase the productivity in coming years. Thus, abundance in maize availability is allowing many wet millers to increase the plant capacities. For manufacturing of the Company's product portfolio the primary raw material required is 'maize' (Source: *Frost & Sullivan Report*).

2. Wide range of applications:

Starch has multiple uses across industries. According to Frost & Sullivan (*Company Commissioned Report, dated May 18, 2024*), Food industry is the largest consumer of starch and its derivatives. Starch is used in making of western snacks, pudding, salad dressings, noodles, pasta, gravies, and sauces. Sweetener such as liquid glucose is major ingredient in confectionary, candies, gums, cakes, pastries, and other sweet items. Paper industry is one of the key industries where industrial starches is used in large quantities. Cardboard paper uses significant quantities of modified starches, actively and in processing. Starch is also used for manufacturing adhesives. Native and modified starch is

used in pharma industry as a tablet and capsule diluent, an excipient, a tablet and capsule disintegrant, as binder or as a glidant. Thus, demand for Maize starch and its derivatives have diversified applications boosting its demand.

3. Increasing demand for ready to eat category:

With the changed lifestyles, ready to eat/cook foods are gaining popularity. Baby food, chips, baked goods, drinks, candies, sauces, soups, noodles, pasta and ready to eat snacks are some sectors where consumption of starch is increasing. Crispiness, bulkiness/carriers, texturization, humectant, dusting, extrusion, and thickening agent are among some of the functional uses of Maize starch which are essential in ready to eat/cook category. The demand for starch is anticipated to increase in the future, except for textiles, as it is seen as a cost-efficient element with no effective replacements anticipated.

4. Global opportunities:

India is the largest exporter of Maize starch globally. It exported ~478 KT of Maize starch in 2022 which accounted for 20% of global trade. Export volumes have increased by 15% since 2018- 2022. India is also amongst the Top 10 global exporter of sweetener like liquid glucose. With local raw material availability, abled processing sector and good quality at lower cost with further increase the demand of Indian Maize starch and derivatives globally.

Large, diversified customer base with long lasting relationships

We have served over 525 customers during the Fiscal 2024, on the basis of our Restated Consolidated Financial Statements. We had served over 162 new customers, on the basis of our Restated Consolidated Financial Statements during Fiscal 2024. Similarly, we had served 525, 541 and 215 customers during Fiscals 2024, 2023 and 2022 respectively. We have also established long term relationships where 96 customers had placed repeat orders with us in each of the previous three Fiscals on the basis of our Restated Consolidated Financial Statements.

In addition to producing quality products, we believe that our customer loyalty has been earned by:

- approachable management addressing their concerns and relationships developed by our marketing team;
- nurturing customer centric culture that focuses on quality assurance and performance standards;
- offering modern, automated facilities with an emphasis on sound environmental and sustainability focused measures and practices

Diversified Customer Base: Over the years, we have also diversified our customer base across the Food, Animal Nutrition and other industrial application pharmaceuticals, paper, textile, personal care, adhesives amongst others. Our revenue contribution from Top 10 and Top 20 customers has been declining, based on the Restated Consolidated Financial Statements from 73.87% during Fiscal 2022 to 40.53% during Fiscal 2024 for our Top 10 Customers and from 83.24% during Fiscal 2022 to 53.59% during Fiscal 2024 for our Top 20 customers based on the Restated Consolidated Financial Statements.

Below is the information on our revenue contribution from Top 10 and Top 20 Customers:

Based on the Restated Consolidated Financial Statements:

Product	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Top 10 Customers	4,499.38	40.53	5,784.74	45.89	3,804.74	73.87
Top 20 Customers	5,949.55	53.59	7,207.64	57.18	4,287.44	83.24

Revenue Generated by our Company from its existing customers and new customers

We hereby state and submit that, as per the Restated Consolidated Financial Statements, the revenue from old customers of our Company for Fiscals 2024, 2023 and 2022 is set forth below.

(₹ in million)

Period	Revenue from existing customers	% of Revenue from operations	Revenue from new customers	% of Revenue from operations	Total Gross Revenue from Operations
Fiscal 2024	9,892.67	89.11	1,208.38	10.89	11,101.04
Fiscal 2023	10,794.72	85.64	1,810.72	14.36	12,605.44
Fiscal 2022	4,523.37	87.83	627.06	12.17	5,150.43

Our Strategies

Our Company's business strategies include the following:

Expand our manufacturing capacities to capture additional market share

As of the date of this Red Herring Prospectus, we operate two manufacturing facilities located at Dhule in the state of Maharashtra and Kutch in the state of Gujarat. To cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we intend to expand our manufacturing capacities for existing products including native starches, modified starches, liquid glucose, dextrose monohydrate. We also intend to add manufacturing capacities for our new products like dextrose anhydrous. To achieve this, we intend to expand our manufacturing capabilities at our Dhule, Maharashtra facility by installing additional factory building, machineries and equipments and utilities to increase our installed capacities by 1,000 Tons Per Day (TPD). The total area of the land at our Dhule Facility is 7.90 million square feet (approximate 181 acres). The cost of the proposed expansion is estimated to be ₹ 2,015.55 million as per the Company commissioned TEV Report dated December 30, 2023 prepared by Dun & Bradstreet. Of this, cost of the proposed expansion upto ₹ 1,815.55 million is proposed to be funded by Net Proceeds of this Offer.

With the proposed expansion, our aggregate installed capacity of both the facilities is expected to increase to 2,100 TPD. The proposed expanded capacity is estimated to commence commercial manufacturing during Fiscal 2026 as per the Company commissioned TEV Report dated December 30, 2023 prepared by Dun & Bradstreet. As per Frost & Sullivan Report, once the proposed expansion is commissioned, our Company is expected to become the third largest manufacturer of maize based speciality products and ingredient solutions in India by installed capacity (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*).

We believe that the proposed expansion will enable us to further scale up our operations, onboard new customers across existing and new end application segments, introduce new products, better serve our existing customers, enable us to better address the business requirements of large customers, and facilitate our growth strategy.

Leverage our industry-leading capabilities by continuing to diversify our customer base and increase wallet share with existing customers

We intend to continue to expand our customer base by leveraging our relationships with our existing customers in India and globally, while simultaneously pursuing opportunities to develop new relationships. We aim to continue to maintain our track-record of repeat orders from our existing customers as well as expand and strengthen our relationships as part of our organic growth efforts. We intend to focus on leveraging our relationships with our customers to improve our existing products and also increase the number of products that we currently manufacture for each customer.

By leveraging our experience of manufacturing native starches, modified starches, liquid glucose, dextrose monohydrate, maltodextrin powder, we intend to manufacture new products like dextrose anhydrous, liquid dextrose, sorbitol powder, food grade modified starches, among others. We are continuing to explore several additional applications of our existing and planned products in existing and new industries including pharmaceuticals, food, biotech, biopolymers, bioethanol, among others. We believe that this will result in adding new customers and in an increase in the wallet share of each customer, our revenues, margins, and profitability which is expected to ensure longevity of relationships with our customers.

We intend to capitalize on the current set of customers consolidating their supplier bases to capture greater total value content. In order to achieve this, we intend to actively manage our key customer accounts to increase customer interaction and collaborate with our customers in their product development efforts. We intend to create a large portfolio of plant based speciality products and ingredient solutions, covering the entire value chain to become a comprehensive supplier for our customers. We will continue to invest in innovation, automation, modern technology, and equipment to continually improve our efficiencies and capitalize on changing customer preferences. Exports have been the significant stay of our growth and we intend to continue to focus on sales in international markets. Export sales provide us with higher margins on our products. We intend to grow our sales within the existing geographies where our customers are present.

Increase our global footprint and augment growth in current geographies

Currently we export our products to over 49 countries across Asia, North America, Central America, South America, Middle East, Africa and Europe. Historically, countries like Malaysia, Vietnam, Kenya, Indonesia and United Arab Emirates have been our top 5 export destinations by revenue. Our revenue from exports as a % of Gross Revenue from Operations has increased to 35.53% during Fiscal 2024 from 3.65% during Fiscal 2022 on the basis of our Restated Consolidated Financial Statements.

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographies. We intend to achieve this by having dedicated sales and marketing teams, opening dedicated warehouses and sales offices to serve these markets better and on real-time basis.

The table below provides a breakdown of our export revenue by geographies:

On the basis of our Restated Consolidated Financial Statements:

(% of total exports revenue)

Geography	Fiscal 2024	Fiscal 2023	Fiscal 2022
Asia	60.11	58.34	83.10
Africa	23.30	29.82	16.90
Middle East	5.44	9.27	0.00
Americas	9.83	1.74	0.00
Europe and Oceania	1.33	0.83	0.00
Total	100.00	100.00	100.00

Additionally, we intend to expand our exports presence in markets where our current penetration is low or negligible including into North America, Europe and Africa. For example, our Kutch, Gujarat facility is registered with United States Food and Drug Administration (USFDA) which is regarded as a crucial certification for selling the goods in United States.

Increase the revenue contribution from derivative products and scale up organic ingredients segment

Increase revenue contribution from Derivatives:

As per Frost & Sullivan Report (*Company Commissioned Report, dated May 18, 2024*), the global market size for maize based derivatives is estimated at USD 5,414.00 million in CY 2023 and is expected to expand at CAGR of 4.33% from CY 2023 to CY 2029 to reach USD 6,985.00 million by CY 2029. Similarly, market size for maize based derivatives in India is estimated at USD 439.00 million in CY 2023 and is expected to expand at CAGR of 5.29% from CY 2023 to CY 2029 to reach USD 598.00 billion by CY 2029. Maize based derivatives are generally high margin products than native starches and find applications in specialised industries like pharmaceuticals, food, personal care, flavours and fragrances, among others. On the basis of our Restated Consolidated Financial Statements, our revenue contribution from derivatives for the Fiscal 2024 and Fiscal 2023 has been 4.26%, and 4.62% respectively. We intend to further grow the contribution from sale of derivatives to increase our margins and returns going forward. In this direction, we propose to expand manufacturing capacity of Liquid Glucose and Dextrose Monohydrate at our Dhule, Maharashtra plant by 300 tons per day (i.e. 150 tons each) to address the growing demand and capture the market share in derivatives. Additionally, we are setting up manufacturing capacity of 50 tons per day of Dextrose Anhydrous, as part of our proposed expansion plan.

Scale up Organic Starches segment:

Our Company has an installed capacity of 1,250 tons per annum of manufacturing of organic starches in India and is registered with Agricultural and Processed Food Products Export Development Authority (APEDA). As per Frost & Sullivan (*Company Commissioned Report, dated May 18, 2024*), the global organic starch market is estimated at USD 33.84 billion in CY 2023. In the Indian scenario, the consumption of organic starch and syrups is still in the nascent stage. Rising demand for organic food including organic instant soups, sauces, and gravies has been on the rise to ensure that these products have the right consistency and taste, while catering to the clean label conscious consumers.

Organic starches are naturally forming hydrocarbons whose raw material sources are organic certified and processed by organic, non-GMO (Genetically Modified Organism) seeds. Some of the common raw material sources of organic starch are - potatoes, maize, waxy maize and wheat. These are further processed by mechanical processes to produce starch without the use of any chemical, solvent and additives. Starch being an important thickening agent in puddings, soups, sauces, snacks and gum or jelly products among many other instant/ ready to eat products, serves as an important commodity in the organic food industry. Further, organic starch is used for several downstream processing industries such as confectionery, nutraceutical, and pharmaceutical industries. (*Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024*).

Growth Drivers for Organic Starches:

- Increased use of organic starches in plant-based foods market/ alternative meat market is showing exponential growth;
- Increasing consumer consciousness for clean label food products;
- Stringent regulations on synthetic additives in food, pharma, and nutraceutical industry;
- Changing consumer lifestyles and food preferences along with growth in per capita income;
- Increased adoption of non-GMO sustainable practices among manufacturers.

(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024)

The Indian market is expected to gain traction toward organic starch uses and exports to markets including USA & Australia. This is expected to put our Company at a favourable position to cater to the Indian & Exports markets when the consumer focus shifts and demand increases *(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024)*. We intend to scale up our manufacturing and sales efforts in the segment to tap the growing demand being foreseen in the segment in both domestic and international markets, as mentioned above.

Foray into manufacturing of Ethanol through leveraging our maize sourcing capabilities

Current Ethanol Scenario in India

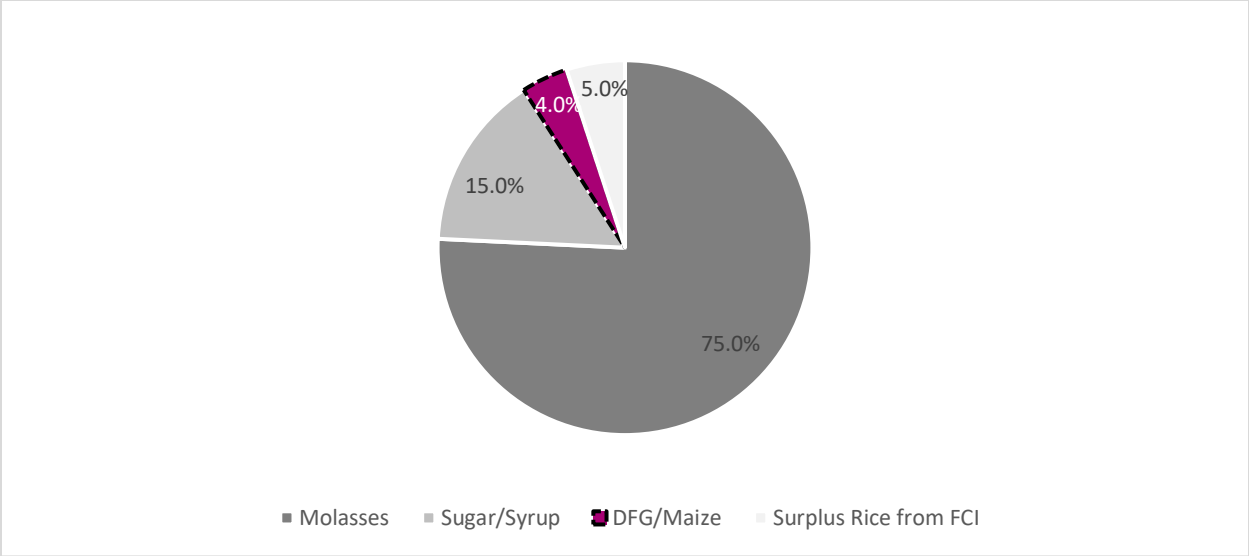
The Government of India has chosen to push up the 20% Ethanol blend objective in petrol by five years, from year 2030 to year 2025. According to Ministry of Petroleum and Natural Gas, Government of India, Ethanol market is predicted to expand by 500% domestically. At a 20% blending level, the demand for ethanol is expected to rise to 1,016 billion litres by 2025. Consequently, the value of the Ethanol sector will increase from about ₹ 90,000 million to over ₹ 500,000 million, i.e. a growth of more than 500%. Ethanol distillation capacity is expected to grow by more than three times to 1,500 Crore litre annually. *(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024)*.

Ethanol market Opportunity in India:

Year	Projected Petrol Sale (Cr. Litres)	Blending (%)	Requirement of ethanol for blending in Petrol (Cr. Litres)
2019-20	3,413 (Actual)		173
2020-21	3,908	8.5	332
2021-22	4,374	10	437
2022-23	4,515	12	542
2023-24	4,656	15	698
2024-25	4,939	20	988
2025-26	5,080	20	1,016

(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024)

Ethanol % contribution from different feedstocks, 2022-23:



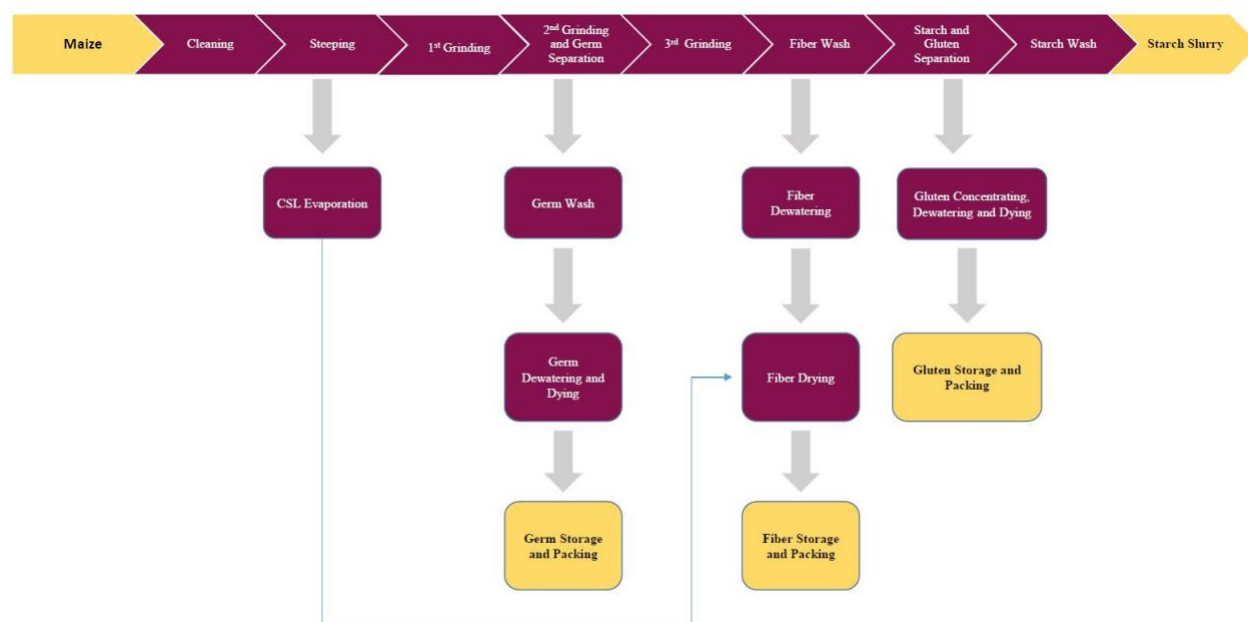
(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024)

With Government support and stern targets, Ethanol production sector has flourished in previous 3-4 years and will continue to grow as demand for sustainability and clean fuel rises. Companies manufacturing Ethanol are expected to be at advantage with different feedstocks being used. Till 2017- 18, Molasses from sugar industry was the only major source of feedstock for ethanol manufacturing. The increasing demand for Ethanol cannot be sustained only by molasses and other feedstocks such as maize will contribute in greater terms. *(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024).*

Our Company has established strong maize sourcing capabilities over the period, leveraging both the relationships with farmers, particularly in the states of Maharashtra and Madhya Pradesh, which cumulatively account for 25% of the maize production in India, as well as sourcing from traders and aggregators of maize across the country. We believe that these capabilities alongwith our experience in the value chain of manufacturing speciality products and ingredient solutions could be well leveraged to foray into and scale up the production of Ethanol based on maize grain. *(Source: Company Commissioned Report from Frost & Sullivan, dated May 18, 2024).*

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Manufacturing process on Maize Based Speciality Products and Ingredient Solutions



Capacity and capacity utilisation

Information relating to our manufacturing capacities and the historical capacity utilization of our Dhule Facility and Kutch Facility included in this Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account by Kirtesh Kumar G Shah , Chartered Engineer, by certificate dated April 19, 2024. The following tables set forth our installed capacity, actual utilization and capacity utilization for our Dhule Facility and Kutch Facility for the Fiscals 2024, 2023 and 2022.

Capacity and Capacity Utilisation

Dhule Facility

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Annual Installed Capacity in tonnes (TPA)	247,500	247,500	247,500
Actual Utilization in tonnes (TPA)	219,678	210,657	182,536
Capacity Utilization (%)	89	85	74

Kutch Facility

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Annual Installed Capacity in tonnes (TPA)	115,500	115,500	115,500
Actual Utilization in tonnes (TPA)	93,194	108,302	101,425
Capacity Utilization (%)	81*	94	88

*During the months of January and February 2024 we carried out planned boiler maintenance at our Kutch Facility for a period of around four weeks which affected the capacity utilisation at our Kutch Facility during the said period.

Utilities

Electricity and Water

Our manufacturing process require an uninterrupted and constant power and fuel supply. Adequate and cost-effective supply of electrical power, fuel and water is critical to our manufacturing processes critical. Our Company has installed a bio-gas plant with a capacity of 1.56 megawatt and solar plant of 3.6 megawatt capacity at Dhule Facility and bio-gas plant at our Kutch facility with an installed capacity of 945 kilowatt to generate electricity from environment friendly, sustainable means. Further power requirement in our manufacturing facilities of the company is sourced through state electricity board. We source water from local authorities for our manufacturing process which is treated in our water treatment RO plant.

Human Resource

We are dedicated to the development of the expertise, skill sets and know-how of our employees and labourers. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration and promoting the development of their skills. As on March 31, 2024 we had 271 personnel (including 60 permanent employees) across our Kutch Facility, Dhule Facility and Registered Office collectively. The following table provides information about our employees (including contract labour), as of March 31, 2024:

Particulars	Number of personnel		
	Dhule Facility	Kutch Facility	Registered Office
Admin	4	11	6
Research and Development	3	3	4
Logistics	12	5	-
Quality Assurance / Quality Control	15	12	-
Manufacturing	65	85	-
Utility (Mechanical Engineer, Civil Engineer, Electrical Engineer, etc.)	24	10	5
Sales and Marketing	-	-	7
Total	123	126	22

As on March 31, 2024, 2023 and 2022, our Company engaged 60, 54 and 58 employees across our Kutch Facility, Dhule Facility and Registered Office respectively. The attrition rate of our Company for Fiscals 2024, 2023 and 2022 was 12.28 %, 25.00 % and 11.00 % respectively.

Our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the Fiscals 2024, 2023 and 2022.

As per the Restated Consolidated Financial Statements, the Company has met the applicable obligations in relation to the employees as follows:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	No. of employees	Amount	No. of employees	Amount	No. of employees	Amount
Provident Fund (PF)	8	0.13	10	0.14	N.A.	N.A.
Professional Tax	112	0.24	103	0.26	36	0.08
TDS	15	14.65	11	11.12	9	7.47



Quality Control and Assurance

We are a quality-focused Company and are committed to maintaining quality standards at all steps of the manufacturing process of our products, from procurement of the raw materials/ components to supply of our products. We have dedicated quality assurance teams consisting of 27 personnel who ensure compliance with our quality management systems and statutory and regulatory compliances. Quality assurance and testing is a regular and consistent exercise carried out by our quality assurance and testing team. The raw material to be procured by our Company is subject to moisture and damages kernel assessment tests and in case of any deviations, the particular batch of raw material is rejected. With respect to finished products, based on the type and nature of the product, the testing and quality team performs tests including but not limited to microbial, sugar profiling, nitrogen analysis and carbohydrate analysis and remedial actions (if any) are implemented pursuant to the quality assurance team's observations relating to viscosity, moisture levels and other organoleptic properties. Quality has always been a focus area for management and is part of our organizational corporate goals. Our Dhule Unit has been duly certified in accordance with FSSAI, FSSC 22000:2018, Kosher, HALAL, International Standards for Quality Management Systems as per ISO 9001:2015 and SGS's Certificate for India's National Programme for Organic Production Standards, amongst others. Similarly, our Kutch unit is registered with United States Food and Drug Administration (USFDA) and also hold certifications like FSSAI, HACCP, HALAL, ISO 9001:2015. For further details, pertaining to our product and quality related approvals and certifications please refer to chapter titled "Government and other Statutory Approvals" on page 398. Further, the table below sets forth the instances of cancellation of purchase orders placed by the customers due to quality defects in the products of our Company.

Products	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Number of rejections	% of Gross Revenue from Operations	Number of rejections	% of Gross Revenue from Operations	Number of rejections	% of Gross Revenue from Operations
Starches	23	31.71	24	22.52	10	7.65
Derivatives	18	21.89	0	-	1	1.37
Co-Products	2	3.14	35	46.99	9	14.35
Total	43	56.74	59	69.52	20	23.37

Intellectual Property

As on date of this Red Herring Prospectus, our Company has the following trademarks:


Sr. No.	Particulars	Registration Status	Trademark number	Trademark Type	Class	Proprietor Name	Date of Expiry
i.	GLASS-O-TEX	Registered	3629605	Word	30	Sanstar Biopolymers Limited*	September 7, 2027
ii.	 Skrubber Bx	Accepted & Advertised	5893104	Device	11	Sanstar Limited	-
iii.	 BLEND & BLESS	Accepted & Advertised	6094283	Device	30	Sanstar Limited	-

*Requisite form for change in proprietor name will be filed with the Trade Marks Registry in due course of time.

Application number 6194514 submitted to the Trade Marks Registry, Ahmedabad ("Registry") for registration of our



logo is objected on the grounds of the trademark being identical with that of the erstwhile Sanstar Biopolymers Limited (now merged with our Company pursuant to the Scheme of Amalgamation, approved by NCLT, Ahmedabad vide order dated November 23, 2023). Further, objections has also been raised by the Registry for

application number 6094284 for our logo . In response to such objections, our Company has submitted replies dated December 20, 2023 with the Registry and presently, awaits approval for registration of such trademarks. For risks involved with respect to inability to obtain such registrations, please refer Risk factor- “Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us” on page 61.

As on date of this RHP, the brand names over the products manufactured and sold by us are entirely owned by the Company and the Company does not make any payments to third parties or other person(s) towards right of usage of brand/royalty.

Competition

We face competition from global as well as domestic players in the industry segment in which we operate. We try to remain competitive by seeking to understand the markets in which we operate in better and identify emerging opportunities. We believe that our consistent tracking of markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors inter alia enable us to anticipate the needs of our customers. Further, some of the end-use industries in which we operate are not easy to break-into due to high entry barriers. Our global competitors vary in size, and may have greater financial, manufacturing, marketing, personnel and other resources than us and certain of our global competitors have a longer history of established businesses and reputations in the industry in which we operate. Competitive conditions in some of our product segments may cause us to realise lower net selling prices and reduced gross margins and net earnings. Changes in the identity, ownership structure, and strategic goals of our global competitors and the emergence of new competitors in our industry may impact our financial performance. For further details on our competition, please see section titled “Industry Overview” and risk factor no. 14 titled “We operate in a highly competitive industry where we face competition from other players. An inability to maintain our competitive position may adversely affect our business, prospects and future financial performance” in the chapter titled ‘Risk Factors’ on page 144 and page 44 of this RHP.

Information Technology

We rely on information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We have implemented SAP B1 across our operations to streamline our record keeping and track our business operations on real-time basis pursuant to which various financial, analytical and MIS reports are generated. Further, this system also enables us to track timely procurement of raw materials, payment to vendors and contract suppliers, and receivables from customers.

Insurance

Under the restrictive covenants imposed by the financial institutions and also as a good business practice we maintain insurance covering hazards, like marine cargo open policy, machinery breakdown policy, standard fire and special perils, workmen compensation, all risk policy and group accident guard policy. The table below sets for the insurance coverage of our Company for Fiscals 2024, 2023 and 2022 and amount of claims.

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Insurance coverage	3,044.60	1,832.57	1,122.52
Claim amount	35.88	0.92	0.69

For further details, please refer to “Risk Factor No. 20 – Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage” on page 49 of this Red Herring Prospectus.

Environment, Health, Quality and Safety

Our manufacturing processes and activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and

employee safety. We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an occupational health and safety policy that is aimed at, inter alia, complying with applicable environmental laws and regulations and voluntary commitments, providing a healthy and safe work environment, effectively communicating with facility employees. Our Company has installed a bio-gas plant with a capacity of 1.56 megawatt and solar plant of 3.6 megawatt capacity and bio-gas plant at our Kutch facility with an installed capacity of 945 kilowatt to generate electricity from environment friendly, sustainable means. Additionally, our Dhule Facility is covered by dedicated green area having Mango and Custard Apple Orchards. For information regarding applicable health, safety and environmental laws and regulations, see “*Key Industrial Regulations and Policies*” on page 255.

Corporate Social Responsibility

We have constituted a CSR committee of our Board of Directors and have adopted and also formulated a CSR policy, pursuant to which we carry out our CSR activities which mainly includes promoting education and donation to charitable trust. As per our Restated Consolidated Financial Statements, our CSR expenditure for the Fiscals 2024, 2023 and 2022 was ₹ 7.30 million, ₹ 3.20 million and ₹ 3.00 million respectively.

Our Properties

Address	Leasehold/Freehold	Use
Gat no. 267, 268, 407/1, 407/2, 355/1, 355/2, 355/3, 356, 357, 358, 359, 360, 361 Village: Karvand, Shirpur Taluka, District, Dhule - 425405.	Freehold land	Dhule Facility
Survey no. 459, 460, 463/1 and 462 Village Morgar, Bhachau, Kachchh – 370020, Gujarat, India.	Freehold land	Kutch Facility
Sanstar House, Near Parimal Under Bridge, Opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India.	Occupied on a leave and license basis	Registered office and R&D center

The key terms of the leave and license agreement for the registered office of the Company is as under:

Key Terms	Particulars
Licensor	Sambhav Starch Products Private Limited
Licensee	Sanstar Limited
License Period	February 29, 2024 to December 31, 2024
License Fees	₹ 7,87,500 plus GST per month
Sub-Licensing	Not permissible
Use of Licensed Premises	For Registered Office and R&D activities.

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies, as amended, and are subject to future amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act 1962, the relevant goods and services tax legislation statutes apply to us as it does to any other company. For details of government approvals obtained by our Company, see "Government and Other Statutory Approvals" on page 398.

Industry specific laws

The Food Safety and Standards Act, 2006 ("FSSA") and the regulations framed thereunder

The FSSA was enacted on August 23, 2006 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSSA pursues to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India ("FSSAI") for laying down scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption, and for matters connected therewith or incidental thereto. The standards prescribed by the FSSAI include specifications for food additives, flavourings, processing aids and materials in contact with food, ingredients, contaminants, pesticide residue, biological hazards and labels. Under the provisions of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out.

The Legal Metrology (Packaged Commodities) Rules, 2011, with amendments up to June 2017 ("Legal Metrology Rules")

The Legal Metrology Rules are ancillary to the Legal Metrology Act, and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

The Agricultural and Processed Foods Products Export Development Authority Act, 1985 ("APEDA Act")

The APEDA Act provides for establishment of Agricultural and Processed Food Products Export Development Authority (the “**APEDA**”) for the development and promotion of export of certain agriculture and processed food products. Persons exporting any one or more of the products specified in the schedules to the APEDA Act are required to be registered under the APEDA Act and are required to adhere to specified standards and specifications. The APEDA Act provides for imprisonment and monetary penalties for breach of its provisions. Further, the Agricultural and Processed Food Products Export Development Authority Rules, 1986 have been framed for effective implementation of the APEDA Act and provides for the application, grant and cancellation of registration to be obtained by exporters of agricultural produce.

The Agricultural Produce (Grading and Marking) Act, 1937; General Grading and Marking Rules, 1988 and Blended Edible Vegetable Oils Grading and Marking Rules, 1991 (“Grading and Marking Laws”)

The provisions of the Act deal mainly with the prescription and protection of merchandise marks. The Grading and Marking Laws provide for the grading and marking of agricultural and other allied commodities with the objectives of making available quality agricultural produce including horticulture and livestock produce to the consumers. The Central Government has implemented rules fixing grade designation to indicate the quality of any scheduled article, denning the quality indicated by every grade designation; specifying grade designation mark to represent particular grade designation; authorising interested parties to grade; specifying conditions regarding manner of marking, packaging etc. and providing for the confiscation and disposal of produce marked otherwise than in accordance with the prescribed conditions with a grade designation mark.

The Agricultural Produce Marketing Legislations

The agricultural produce marketing legislations enacted by state governments regulate marketing of agricultural, horticultural, livestock products and certain other produce in market areas and establishes market committees for every market area in the state to regulate transactions in agricultural produce. It provides for the organization and composition of committees and their powers and functions which include, granting licenses to operate in the market, provide for necessary facilities in the market area, regulate and control transactions in the market and admissions to the market.

Consumer Protection Act, 2019 (the “Consumer Protection Act”)

The Consumer Protection Act was designed and enacted to provide simpler access to redress consumer grievances. It seeks, *inter alia* to promote and protects the interest of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers or service providers or traders. It establishes consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or corrective orders, the forums and commissions under the Consumer Protection Act are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than ₹25,000, but not more than ₹100,000 or both.

The Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the “**ECA**”) gives powers to the Government of India to control the production, supply and distribution of certain essential commodities for *inter alia* securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/ departments of the Indian government have issued control orders for regulating production, distribution, trading, quality aspects, movement and prices pertaining to commodities which are essential and administered by them, including for essential commodities such as food grains, edible oils, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for non-compliance of its provisions.

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

The Indian Boilers Act, 1923 (“Boilers Act”)

The Indian Boilers Act, 1923 along with relevant regulations establishes and enforces the standards that regulate the materials, design and construction, inspection and testing of boilers and boiler components for compliance by the manufacturers and users of boilers in India. The State Government is empowered to appoint a director to exercise the powers and to discharge duties. The State Government has the power to limit the extent of the Boilers Act. The Indian Boilers Act, 1923 prohibits the use of unregistered or uncertificated boiler.

Foreign Exchange Laws

Foreign Exchange Management Act, 1999 (the “FEMA”).

The primary exchange control legislation in India is the FEMA. Pursuant to FEMA, the GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange control.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette. FTA read with the Indian Foreign Trade Policy 2015 –2020 (extended up to September 30, 2021) provides that no export or import can be made by a company without an Importer-Exporter Code (“IEC”) unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Export Promotion Capital Goods Scheme (“The EPCG Scheme”)

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of “deemed exports”, which are transactions deemed to be exports.

Environmental laws

The Environment (Protection) Act, 1986 (“EPA”) read with The Environment (Protection) Rules, 1986

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emit any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Draft Environment Impact Assessment Notification 2020 (“EIA 2020”)

Ministry of Environment, Forest and Climate Change has issued Draft Environment Impact Assessment Notification 2020 (“EIA 2020”) which proposes to replace the erstwhile Environment Impact Assessment Notification, 2006. The EIA 2020, *inter alia*, contemplates two kinds of approvals, being (i) prior environment clearance with the approval of expert committees; and (ii) environmental permission or provision without the approval of expert committees. Certain projects including clay and sand extraction, digging well or foundations of buildings, solar thermal power plants and common effluent treatment plants have been exempted from such approvals.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, requires that every occupier of a facility who is engaged in handling of ‘hazardous waste’ and other wastes to obtain an authorization from the respective pollution control board. It places an obligation on the occupier to follow certain steps for management of hazardous and other wastes, namely, prevention, minimization, reuse, recycling, recovery, utilization including co-processing, and safe disposal of the waste. It also makes the occupier responsible for safe and environmentally sound management of hazardous and other wastes. It makes the occupier liable for damages caused to environment or third parties. It also prescribes financial penalties for violation of provisions of the rules.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (“Hazardous Chemical Rules”)

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further,

a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

The Public Liability Insurance Act, 1991 (“Public Liability Act”)

The Public Liability Act, along with the Public Liability Insurance Rules, 1991, require the owner to contribute towards the environment relief fund of a sum equal to the insurance premium paid to the insurer. Further, a liability is imposed on the owner or controller of hazardous substances, in relation to death/injury of a person, or any damage to property arising out of an accident involving such hazardous substances. Vide notification, the Central Government has enumerated a list of hazardous substances covered by the legislation.

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with the aim of facilitating collection and recycling of plastic waste. It delegates responsibility to the waste generators for waste segregation and disposal. Plastic Waste Management (Amendment) Rules, 2018 prescribed a central registration system for the registration of the producer/importer/brand owner. Recently, the government has proposed draft Plastic Waste Management Rules, 2021 which aims to ban the manufacture, import, stocking, distribution, sale and use of specific single use plastic from January 1, 2022. The draft has also extended the applicability of rules to brand owner, plastic waste processor, including the recycler and co-processor etc.

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

The Chemical Accidents Rules, formulated pursuant to the provisions of the Environment Protection Act, seek to manage the occurrence of chemical accidents, by, *inter alia*, setting up a central crisis group and a central crisis alert system. The functions of the central crisis group *inter alia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

Labour Related Legislations

The employment of workers, depending on the nature of the activity, is currently regulated by a wide variety of generally applicable labour legislations, including the Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, Industrial Employment (Standing Orders) Act, 1946, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employee’s Compensation Act, 1923, the Trade Unions Act, 1926, the Payment of Bonus Act, 1965, the Equal Remuneration Act, 1976, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Child Labour (Protection Regulation) Act, 1986, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Apprentices Act, 1961.

Factories Act, 1948 (“Factories Act”)

The Factories Act defines a “factory” to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions.

In order to rationalise and reform labour laws in India, the Government has enacted the following codes which will be brought into force on a date to be notified by the Central Government:

- **Code on Wages, 2019**, which regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. It subsumes four existing laws, namely the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976.
- **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- **Code on Social Security, 2020**, which amends and consolidates laws relating to social security. It governs the constitution and functioning of social security organisations such as the employees’ provident fund and the employees’ state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits, and compensation in the event of accidents to employees, among others. It subsumes various legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.
- **Occupational Safety, Health and Working Conditions Code, 2020**, amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various legislations including the Factories Act, 1948, and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security 2020 have come into force upon notification by the Ministry of Labour and Employment. The remainder of these codes shall come into force on the day that the Government shall notify for this purpose.

Intellectual Property

Certain laws relating to intellectual property rights applicable to us are as follows:

The Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act governs the law pertaining to the protection of trademarks in India. It provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. Once a mark is registered, it is valid in India only for a period of 10 years and can be renewed from time to time in perpetuity. The Trade Marks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying for trademarks.

The Copyright Act, 1957 (“Copyright Act”)

The Copyright Act serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The intellectual property protected under the Copyright Act includes copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and may help expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

The Patents Act, 1970 (“Patents Act”)

The Patents Act governs the patent regime in India. A patent is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, for excluding others from

making, using, selling and importing the patented product or process or produce that product. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Designs Act, 2000 (“DA”) and the Designs Rules, 2001 (“DR”)

The DA regulates and protects the originality of an article’s design and prohibits the piracy of registered designs. The primary objective of the DA is to protect new or original designs from getting copied, and ensure that the creator, originator or artisan of the design is not deprived of their rightful gains for the creation of their design. The central government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as ‘*Continental Papers Limited*’ under the Companies Act, 1956, as a public limited company, pursuant to the certificate of incorporation dated February 26, 1982 issued by the Registrar of Companies, Delhi & Haryana. Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary the Promoters of our Company acquired the entire shareholding, assets and liabilities of Continental Papers Limited pursuant to Agreement to sell and transfer dated February 22, 2012 between Continental Construction Limited and Gouthamchand Sohanlal Chowdhary and associates. Thereafter, the name of our Company was changed to ‘*Sanstar Limited*’, pursuant to resolution passed by the board of directors on March 9, 2012 and approved by the shareholders in their EGM held on March 16, 2012. A fresh certificate of incorporation dated April 2, 2012, consequent upon change of name was issued to our Company by the Registrar of Companies, Delhi & Haryana.

Subsequently, pursuant to a Scheme of Amalgamation entered into between our Company and Sanstar Biopolymers Limited (‘**Transferor Company**’) under Section 232 of the Companies Act, 2013 and approved by the NCLT, Ahmedabad *vide* order dated November 23, 2023, the ‘Transferor Company’ Undertaking was merged into our Company as a going concern. For details, see “*Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years*” below on page 264.

Changes in the Registered Office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since incorporation:

Date of change	Details of change	Reasons for change
October 23, 2012	The registered office of our Company was changed from AM 4, Shalimar Bagh, New Delhi - 110088 to Sanstar House, near Parimal Under Bridge, opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380007, Gujarat, India.	For administrative and operational convenience

Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- The main object of the company to carry on business of manufacturers, importers, exporters and dealers, in maize, maize oil, maize chunnie, gluten powder, maize bran, golden syrup, oil cake, maize starch powder, modify starches, dextrines, enzymes, glucose liquid, dextrose, powder, anhydrous, dextrose, powder, sorbitol, manitol, wheat flour, cattle feed, poultry feed, high maltose corn syrup, high fructose corn syrup, malto dextrin liquid, malto dextrin powder, tapioca chips, tapioca, flour, tapioca starch, sago, gowar, wheat, bran, turmeric, tamrind starch, tamrind seeds, sugar, jiggery, textile, leather, food, pharmaceutical industries, organic and inorganic chemicals, polymers and biopolymers, grain based ethanol and alcohol, power plant.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association in the last 10 years

Except as stated below there have been no amendments to our Memorandum of Association ten years preceding the date of this Red Herring Prospectus.

Date of change/ shareholders’ resolution	Nature of amendment
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November 28, 2023	Clause V of the MOA was amended to reflect <ul style="list-style-type: none"> - the sub-division of the Equity Shares from ₹10 each into Equity Shares of face value of ₹2 each. - Increase in authorized capital from ₹ 300,000,000 to ₹ 380,000,000
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Major events and milestones of our Company

The table below set forth the major events and milestones in the history of our Company. To enhance clarity and for ease of understanding, we have separately highlighted the major milestones of Sanstar Limited and erstwhile Sanstar Biopolymers Limited (merged with our Company *vide* order dated November 23, 2023 passed by the NCLT, Ahmedabad).

Calendar Year	Particulars
2006	Erstwhile Sanstar Biopolymers Limited commenced operations at the Kutch Facility.
2008	Erstwhile Sanstar Biopolymers Limited commenced its export operations.
2012	The entire shareholding, assets and liabilities of Continental Papers Limited was acquired by the present Promoters pursuant to Agreement to sell and transfer dated February 22, 2012. Subsequently the name was changed from Continental Papers Limited to Sanstar Limited pursuant to the Fresh Certificate of Incorporation dated April 2, 2012 issued by Registrar of Companies, Delhi and Haryana. Established research and development centre.
2015	Sanstar Limited commenced setting up the Dhule Facility.
2017	Commencement of operations at the Dhule Facility
2018	Sanstar Limited commenced its export operations.
2023	Sanstar Limited earned revenue achieved more than ₹ 11,000 million Export operations of erstwhile Sanstar Biopolymers Limited extended to 49 countries in South East Asia, Latin America, Australia as well as some products to USA and Canada. Sanstar Limited initiated new line of additional 1,000 tons per day of installed capacity at Dhule Facility with plant for maize starch, liquid glucose, dextrose monohydrate and dextrose anhydrous estimated to commence commercial manufacturing during Fiscal 2026. (<i>Source Company commissioned TEV Report from Dun & Bradstreet</i>) Merger of erstwhile Sanstar Biopolymers Limited with our Company pursuant to Scheme of Amalgamation. Consequently all the assets and liabilities of erstwhile Sanstar Biopolymers Limited were transferred to Sanstar Limited. Acquisition of ECL

Key Awards, Accreditations and Recognition

Our Company has received the following key awards, accreditations and recognition as on date of this Red Herring Prospectus:

Calendar Year	Particulars
2014	Registered with U.S. Food and Drug Administration
2021	Certificate of compliance in accordance with FSSC 22000: 2018 and HACCP issued by TCS-UK ISO 9001: 2015 Certificate for Quality Management System
2022	Non GMO Certificate issued by Food Chain, United Kingdom Recognition as One Star Export House by Directorate General of General of Foreign Trade, India
2023	Recognition as 2 Star and 3 Star Export House by Directorate General of General of Foreign Trade, India

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years

Except as mentioned below, our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years:

- i. Scheme of Amalgamation entered into between Sanstar Biopolymers Limited (“Transferor Company”) with our Sanstar Limited (“Transferee Company”) pursuant to Section 232 of the Companies Act, 2013 (hereinafter referred to as the “Scheme”)*

Pursuant to a Scheme of Amalgamation entered into between our Company and Sanstar Biopolymers Limited (**“Transferor Company”**) under Section 232 of the Companies Act, 2013 and approved by the NCLT, Ahmedabad *vide* order dated November 23, 2023, the Transferor Company’ Undertaking was merged into our Company as a going concern. The Transferor Company was and our Company is engaged in the manufacturing of corn starch, liquid glucose, maltodextrin, dextrose, dried glucose syrup and tapioca starch. The rationale of the Scheme was to combine the business operations of both the companies to generate greater efficiency in overall business including economies of scale, cash flow management of the combined entity and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the companies and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances, etc. resulting in cost savings and maximisation of shareholders value.

The salient features of the Scheme are set for the below (terms used are defined in the Scheme):

- a) The Transferor Company’s Undertaking in its entirety, was transferred to and vested in our Company as a going concern and it is declared that the Transferor Company shall be dissolved without winding up.
- b) All assets, properties, rights, licenses, sanctions, consents, authorization, approvals and permissions (statutory or otherwise), liabilities, debts receivables, etc. of the Transferor Company stood transferred to our Company from the Appointed Date.
- c) All the liabilities and duties of the Transferor Company and all proceedings, if any, now pending against the transferor company be transferred and to be continued by the Transferee Company.
- d) The amount of any intercompany balances or investments, if any, between the Transferor Company and the Transferee Company, appearing in the books of accounts of the Companies, shall stand cancelled without any further act or deed and there shall be no further obligation outstanding in that behalf.
- e) All workers/employees of all the Transferor Company shall be deemed to become the workers/employees of the Transferee Company with effect from the Appointed Date, and shall stand absorbed in the Transferee Company in accordance with the Scheme without any interruption of service and on terms and conditions no less favourable than those on which they are engaged by the Transferor Company, as on the Effective Date.
- f) In consideration of the transfer, the Transferee Company shall, issue and allot 1 (One) Equity Share of ₹ 10/- (Rupees Ten only), credited as fully paid up in the capital of the Transferee Company, to the members of the Transferor Company, whose names appear in the register of members of the Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferee Company for every 1 (One) Equity Share of the face value of ₹10/- (Rupees Ten only) each fully paid-up or credited as paid-up and held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company.

- g) The difference (excess or deficit), between the total consideration issued by the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme and the amount of share capital of the Transferor Company and after giving effect of this Scheme shall be adjusted in the reserves of the Transferee Company as per Accounting Standard 14 in the books of account of the Transferee Company.
- h) Upon the scheme coming into effect, the existing shareholders of the Transferor Company in the Transferee Company shall stand cancelled without any further act, instrument or deed.
- i) Upon the Scheme becoming effective, the authorized capital of the Transferor Company was added to and clubbed with the authorized capital of our Company without payment of any fees and without any further act or deed, and the resultant authorized capital of our Company, pursuant to the Scheme is ₹350,000,000 (Rupees Three Hundred Fifty million only) divided into 35,000,000 (Thirty Five million only) equity shares of ₹10/- (Ten) each.

Key financial information of the Transferor Company for Fiscals 2023, 2022 and 2021 as per audited financial statements:

	<i>(₹ in million)</i>		
Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	5,234.53	4,338.29	2,744.61
Profit before tax	7.50	126.62	37.69
EBITDA	3.11	97.13	46.68
Profit after tax	5.21	94.44	28.13
Net Worth	642.30	638.92	544.48

- ii. ***Contribution of 99.99% share in the profit and loss sharing ratio of ECL by our Company.***

ECL primarily deals in trading of maize starch, modified starch, maize germ etc.

As per the Restated Consolidated Financial Statements, for Fiscals 2024, 2023 and 2022, the sales of the products of our Company to Expression Commercial LLP aggregated to ₹ 12.29 million, ₹ 313.83 million and ₹ 1,926.77 million respectively constituting 0.11%, 4.03% and 6.66% of the Company's Gross Revenue from Operations respectively. The details of the related party transactions are given as per the requirements under the relevant accounting standards and as reported in the Restated Consolidated Financial Statements, please see "*Restated Consolidated Financial Statements – on page 347 on Notes to Financial Information - Note 46 – Related Party Disclosures*".

The Company acquired ECL with an intent of streamlining group business operations.

Our Company *vide* Supplementary Agreement dated December 18, 2023 (**'Supplementary Agreement'**) read with Limited Liability Partnership Agreement dated January 21, 2019 and First Supplement Agreement dated May 5, 2021 contributed an amount of ₹0.10 million aggregating to 99.99% of the profit and loss sharing ratio of ECL. The table below sets forth the profit and losses sharing ratio prior and subsequent to the execution of the Supplementary Agreement.

The profit sharing ratio of Expression Commercial LLP ('ECL') is as follows:

Name of the Partner	Share in profits and losses of Expression Commercial LLP prior to execution of Supplementary Agreement	Share in profits and losses of Expression Commercial LLP subsequent to execution of Supplementary Agreement
Richa Sambhav Chowdhary	30.00 %	Nil
Samiksha Shreyans Chowdhary	30.00 %	Nil
Rani Gouthamchand Chowdhary	40.00 %	Nil
Sanstar Limited	Nil	99.99 %
Sambhav Gautam Chowdhary	-	0.01%

The Company acquired ECL with an intent of streamlining group business operations.

Key Terms of the Limited Liability Partnership Agreement:

- a. The main object of ECL shall be to carry out any activity in any manner as may be decided by the Designated Partners of the ECL including but not limited to the following:

“To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis.”
- b. ECL shall have perpetual succession. So, death, retirement or insolvency of any partner shall not dissolve the ECL.
- c. The Designated Partner/s as referred above shall look after day to day affairs in consultation with each other but they shall not be paid any remuneration unless decided otherwise and if remuneration is paid to the partners, it shall be within the limits prescribed under section 40(b) of Income Tax Act.
- d. The other key terms include conduct of partnership, rights and duties of partners, admission and retirement of partners, etc.

Existence of any special rights to Shareholders

None of the Shareholders are entitled to any special rights including but not limited to right to nominate a nominee director on the board of the Company. Further, subsequent to the listing of Equity Shares of the Company on the Stock Exchanges, any proposal for vesting of any special right(s) to any of the then existing shareholder(s), shall be subject to approval of the Shareholders of the Company by way of a special resolution passed in a general meeting of the Company held post listing of Equity Shares.

The Company confirms that, there are no other agreements and clauses / covenants which are material and which need to be disclosed and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the public shareholders.

The Book Running Lead Manager confirms that, they have perused the Articles of Association ('AoA') of the Company as amended from time to time and there are no articles/provisions in the AoA enabling a person to exercise or be entitled to any special rights of any nature.

Revaluation of assets in the last 10 years

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults on repayment of any loan availed from any banks or financial institutions. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Lock-out and strikes

As on the date of this Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

Significant financial and strategic partners

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Material Agreements

The Company confirms that, except as disclosed in this Red Herring Prospectus, there are no other agreements, deed of assignments, acquisition agreements, Shareholders' Agreements, inter-se agreements, agreements of like nature.

Details of subsisting shareholders' agreements

As on the date of this Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements.

Other material agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company. For details on business agreements of our Company, see "*Our Business*" on page 228.

Details of guarantees given to third parties by Promoters offering their Equity Shares in the Offer

Our Promoters have entered into Agreement of Guarantee dated July 21, 2023 with Karur Vysya Bank Limited, Agreement of Guarantee dated January 19, 2017 with Karur Vysya Bank Limited, Agreement of Guarantee dated July 19, 2023 with Federal Bank Limited, Deed of Guarantee dated January 23, 2023 with Citi Bank Limited. One of our Promoters i.e., Sambhav Gautam Chowdhary has entered into agreement for loan and guarantee dated September 27, 2021 with HDFC Bank Limited. Except as stated below, the Promoter Selling Shareholders have not provided guarantees to any third parties as on the date of this Red Herring Prospectus. For further details, see "*Financial Indebtedness*" on page 390.

Name of the Lender	Type of borrowing/ facility	Name of Promoter Selling Shareholder	Sanctioned Amount (in ₹ million)	Obligations on our Company	Amount outstanding as on May 24, 2024
Federal Bank Limited	Term Loan and working capital facilities	Gouthamchand Sohanlal Chowdhary, Sambhav	1,000.00	-	99.87
Citi Bank	Working Capital	Gautam Chowdhary	250.00	-	167.88
Karur Vysya Bank Limited	Term Loan, Working Capital	and Shreyans Gautam Chowdhary	3,243.96	-	1,326.78
HDFC Bank Limited	Auto Loans	Sambhav Gautam Chowdhary	15.74	-	7.56
Mercedes-Benz Financial Services India Private Limited	Auto Loan	-	8.43	-	7.22

These guarantees are in the nature of personal guarantees and have been issued in connection with the financing facilities availed by our Company. The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by our Company. The financial implications in case of default by our Company under the relevant facility agreements, would entitle the lenders to invoke the personal guarantees by our Promoters to the extent of outstanding loan amounts including the interest amount, commission and all charges, costs, expenses incurred by the lender and upon an event of default under the relevant facility agreements. Our Company has not paid any consideration to the Promoter Selling Shareholders for providing these guarantees. The facilities are secured. For further details of the security available see, “*Financial Indebtedness*” on page 390.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products launched by our Company, or entry into new geographies please see “*Our Business*” on page 228.

Our Company has not exited from existing markets. For details of capacity, facility creation or location of plants, see “*Our Business*” on page 228.

Agreements with Key Managerial Personnel, Director, Senior Management or any other employee

There are no agreements entered into by a Key Managerial Personnel, Senior Management or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Our subsidiary(ies)

As on date of this Red Herring Prospectus, our Company has one subsidiary, namely, Expression Commercial LLP. For further details, please refer to chapter titled '*Our Subsidiary*' on page 270 of this RHP.

OUR SUBSIDIARY

As on the date of this Red Herring Prospectus, our Company has one (01) wholly owned subsidiary Expression Commercial LLP. The details of our Subsidiary are as follows:

Expression Commercial LLP

Corporate Information

Expression Commercial LLP was incorporated *vide* certificate of incorporation dated September 1, 2019 bearing LLP identification number AAN-8942 as our wholly owned subsidiary under The Limited Liability Partnership Act, 2008 with Registrar of Companies, Ahmedabad.

Our Subsidiary primarily deals in trading of maize starch, modified starch, germ etc.

Capital Induced

Our Company *vide* Supplementary Agreement dated December 18, 2023 (**'Supplementary Agreement'**) read with Limited Liability Partnership Agreement dated January 21, 2019 and First Supplement Agreement dated May 5, 2021 contributed an amount of ₹0.10 million aggregating to 99.99% of the profit and loss sharing ratio of ECL. The table below sets forth the profit and losses sharing ratio prior and subsequent to the execution of the Supplementary Agreement.

Name of the Partner	Share in profits and losses of Expression Commercial LLP prior to execution of Supplementary Agreement	Share in profits and losses of Expression Commercial LLP subsequent to execution of Supplementary Agreement
Richa Sambhav Chowdhary	30.00 %	Nil
Samiksha Shreyans Chowdhary	30.00 %	Nil
Rani Gouthamchand Chowdhary	40.00 %	Nil
Sanstar Limited	Nil	99.99 %
Sambhav Gautam Chowdhary	-	0.01%

The Company acquired ECL with an intent of streamlining group business operations.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information for Fiscal March 31, 2024, March 31, 2023 and March 31, 2022 pertaining to; (i) the details of reserves (excluding revaluation reserves), (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to our WOS for the last three (03) financial years, extracted from its audited financial statements (as applicable) is available at the website of our Company website www.sanstar.in.

Financial information for last three years.

(Amount in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	48.51	322.29	2098.50
Total Income	48.58	323.07	2098.50
EBITDA	0.58	2.06	4.02
PAT	0.28	1.35	2.25

Common Pursuits

Based on the business activities undertaken by our Subsidiary there are certain common pursuits amongst our subsidiary and our Company.

Related business transactions

Except as mentioned the arrangements/ transactions disclosed in the sections “*Restated Consolidated Financial Statements -Note 46– Related party disclosures*” beginning on page 2424 of this RHP, our Subsidiary does not have any business interest in our Company.

Litigation

For details pertaining to outstanding litigations relating to our Subsidiary, please refer to chapter titled “*Outstanding Litigations and Material Developments*” on page no. 393 of this Red Herring Prospectus.

Other Confirmations

1. Our Subsidiary is not listed on any Stock Exchanges in India or Abroad. Further, our Subsidiary have not been refused listing of any securities at any time, by any of the recognised Stock Exchanges in India or abroad.
2. Our Subsidiary have not made any public or rights issue (including any rights issue to the public) in the three (03) years preceding the date of this Red Herring Prospectus.

There have been no instances of default in repayment of deposits or payment of interest thereon by our Subsidiary.

OUR MANAGEMENT

Board of Directors

The Articles of Association of our Company require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of this Red Herring Prospectus, our Board comprises six Directors, including three Executive Directors, and three Independent Director of whom one is a woman Independent Director.

The following table sets forth details regarding our Board as of the date of this Red Herring Prospectus:

Sr. No.	Name, designation, date of birth, address, occupation, nationality, period and term and DIN	Age (years)	Directorships in other companies
1.	<p>Gouthamchand Sohanlal Chowdhary</p> <p>Designation: Chairman and Managing Director</p> <p>Date of birth: December 25, 1957</p> <p>Address: 13 Mahaveer Society, near Mahalaxmi Cross Road, Paldi, Ahmedabad – 380007, Gujarat, India.</p> <p>Occupation: Business</p> <p>Current term: For a period of 3 years with effect from September 1, 2023</p> <p>Period of directorship: Director since February 22, 2012</p> <p>DIN: 00196397</p>	66	<p>1. Sambhav Starch Products Private Limited</p> <p>2. Sanstar Gems & Jewels Private Limited</p> <p>3. The All India Starch Manufacturers Association Private Limited</p>
2.	<p>Sambhav Gautam Chowdhary</p> <p>Designation: Joint Managing Director</p> <p>Date of birth: June 23, 1983</p> <p>Address: 13 Mahaveer Society, near Mahalaxmi Cross Road, Paldi, Ahmedabad – 380007, Gujarat, India.</p> <p>Occupation: Business</p> <p>Current term: For a period of 3 years with effect from September 1, 2023</p> <p>Period of directorship: Director since February 22, 2012</p> <p>DIN: 01370802</p>	41	<p>1. Sambhav Starch Products Private Limited</p> <p>2. Sanstar Gems & Jewels Private Limited</p>
3.	<p>Shreyans Gautam Chowdhary</p>	39	<p>1. Sambhav Starch Products Private Limited</p>

Sr. No.	Name, designation, date of birth, address, occupation, nationality, period and term and DIN	Age (years)	Directorships in other companies
	<p>Designation: Joint Managing Director</p> <p>Date of birth: March 18, 1985</p> <p>Address: 13 Mahaveer Society, Mahalaxmi Char Rasta, Paldi, Ahmedabad – 380007, Gujarat, India.</p> <p>Occupation: Business</p> <p>Current term: For a period of 3 years with effect from September 1, 2023</p> <p>Period of directorship: Director since February 22, 2012</p> <p>DIN: 01759527</p>		<p>2. Sanstar Gems & Jewels Private Limited</p>
4.	<p>Sejal Ronak Agrawal</p> <p>Designation: Independent Director</p> <p>Date of birth: June 12, 1989</p> <p>Address: 7 Ritu Apartment, Bhairavnath Road, Nilima Park Society, near Ashutosh society, Ahmedabad – 380008, Gujarat, India.</p> <p>Occupation: Professional</p> <p>Current term: For a period of 5 years with effect from November 1, 2023</p> <p>Period of directorship: Director since November 1, 2023</p> <p>DIN: 09376887</p>	34	<p>1. Corporate Professionals Valuation Services Private Limited</p> <p>2. Shanti Spintex Limited</p> <p>3. Shanti Educational Initiatives Limited</p>
5.	<p>Aniket Sunil Talati</p> <p>Designation: Independent Director</p> <p>Date of birth: November 15, 1985</p> <p>Address: 4 Rushil Behind Pride Hotel, Judges Bungalows Road, Ahmedabad - 380054, Gujarat, India.</p> <p>Occupation: Professional</p> <p>Current term: For a period of 5 years with effect from November 1, 2023</p> <p>Period of directorship: Director since November 1, 2023.</p> <p>DIN: 02724484</p>	38	<p>1. Institute of Social Auditors of India</p> <p>2. ICAI Registered Valuers Organisation</p> <p>3. Extensible Business Reporting Language (XBRL) India</p> <p>4. Prudent Corporate Advisory Services Limited</p> <p>5. Gennext Insurance Brokers Private Limited</p>

Sr. No.	Name, designation, date of birth, address, occupation, nationality, period and term and DIN	Age (years)	Directorships in other companies
6.	Atul Agarwal	67	Nil
	Designation: Independent Director		
	Date of birth: September 12, 1956		
	Address: B-9, Vivekanand Puri, behind IT College, New Hyderabad, Lucknow – 226007, Uttar Pradesh, India.		
	Occupation: Professional		
	Current term: For a period of 5 years with effect from November 1, 2023		
	Period of directorship: Director since November 1, 2023		
	DIN: 10373422		

Brief biographies of our directors

Gouthamchand Sohanlal Chowdhary, aged 66 years, is the Chairman and Managing Director of our Company. He is one of the Promoters of our Company and has been associated with our Company since February 22, 2012. He has completed his schooling from Monfort School Yercaud, Tamil Nadu. He has served on the board of Sanstar Biopolymers Limited (merged with our Company *vide* order dated November 23, 2023 passed by NCLT, Ahmedabad) for a period of 38 years since September 27, 1985. He supervises the overall functions of our Company and is responsible for overseeing the strategic growth initiatives and expansion plans.

Sambhav Gautam Chowdhary, aged 41 years, is the Joint Managing Director and one of the Promoters of our Company. He has been associated with the Company since February 22, 2012. He holds a bachelor's degree in engineering from the Gujarat University. He has served on the board of Sanstar Biopolymers Limited (merged with our Company *vide* order dated November 23, 2023 passed by NCLT, Ahmedabad) for a period of 13 years since March 30, 2011. During the year 2005-06, he was employed with Infosys Technologies Limited. He is responsible for day to day operations and expansion plans of the Company.

Shreyans Gautam Chowdhary, aged 39 years, is the Joint Managing Director and one of the Promoters of our Company. He has been associated with the Company since February 22, 2012. He holds a bachelor's degree in engineering from the Gujarat University and master's degree of Science in Management with a Specialism in Marketing from The City University London Sir John Cass Business School. He has served on the board of Sanstar Biopolymers Limited (merged with our Company *vide* order dated November 23, 2023 passed by NCLT, Ahmedabad) for a period of 13 years since March 30, 2011. He is responsible for management of commercial and sales related aspects.

Sejal Ronak Agrawal, aged 34 years, is an Independent Director of our Company. She has been associated with our Company since November 1, 2023. She holds a bachelors and master's degree in commerce from Veer Narmada South Gujarat University. Further she is a fellow member of the Institute of Chartered Accountants of India and is a practicing chartered accountant since the year 2011.

Atul Agrawal, aged 67 years, is an Independent Director of our Company. He has been associated with our Company since November 1, 2023. He holds a bachelor's degree in commerce from National Degree College, Lucknow. He is

a certified associate of the Indian Institute of Bankers. He was appointed as assistant general manager at Central Bank of India in the year 2007. He was associated as the Executive Director with the Indian Overseas Bank, Chennai from the year 2013 to 2016.

Aniket Sunil Talati, aged 38 years, is an Independent Director of our Company. He has been associated with our Company since November 1, 2023. He is also a fellow member of the Institute of Chartered Accountants of India (“ICAI”). He is a partner at M/s. Talati & Talati LLP and Former President of the ICAI and held directorships on the board of few of ICAI’s organisations, i.e., Institute of Social Auditors of India, ICAI Registered Valuers Organisation, ICAI Accounting Research Foundation, Indian Institute of Insolvency Professionals of ICAI.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was, during the last five years preceding the date of this Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

Confirmations

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower as defined under the SEBI ICDR Regulations.

Neither our Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors are prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

None of the Independent Directors are in any way related and/or associated directly or indirectly with the Promoters, individuals and entities forming part of the Promoter Group, other directors, KMPs or their relatives of our Company, Subsidiary and the Group Companies.

None of the Directors are acting in the capacity of a nominee of any of the Shareholders of our Company.

Relationships between our Directors

Except as mentioned in the below table, there is no relationship between our Directors:

Names	Relationship
Gouthamchand Sohanlal Chowdhary and Sambhav Gautam Chowdhary	Father and Son
Gouthamchand Sohanlal Chowdhary and Shreyans Gautam Chowdhary	Father and Son
Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary	Brothers

Terms of appointment of Directors

Remuneration to Executive Directors:

1. Gouthamchand Sohanlal Chowdhary

Gouthamchand Sohanlal Chowdhary has been a Director and Chairman on the Board of our Company since February 22, 2012. He was re-appointed as the Managing Director of our Company for a period of 3 years with effect from September 1, 2023 pursuant to a Shareholder's resolution dated September 1, 2023. The following table sets forth the terms of appointment of Gouthamchand Sohanlal Chowdhary.

Basic Salary	₹1 million per month
Performance incentive or commission	Annual increment to be effective from April 01 every year which will be decided by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and will be performance based taking into account the Company's performance, within the said maximum amount. Performance Linked Bonus: In addition to the Salary, Benefits, Perquisites and Allowances, such remuneration by way of annual performance linked bonus may be paid subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board.
Perquisites	In addition to the salary received, the Managing Director of our Company is entitled to the following perquisites and allowances: <ul style="list-style-type: none"> a) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities for the said accommodation OR House Rent and Maintenance Allowance of 85% of Salary per annum. b) Reimbursement of hospitalization and major medical expenses incurred as per Rules of the Company (including medical insurance premium). c) Car facility as per rules of the Company. d) Telecommunication facility as per Rules of the Company. e) Housing Loan facility as per the Rules of the Company f) Other perquisites and allowances given below subject to a maximum of 55% of Salary per annum including medical allowance, Leave Travel Concession/Allowance, other allowances, Personal Accident allowance and Annual club membership fees. g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per Rules of the Company h) Leave and encashment of unavailed leave as per the Rules if the Company
Minimum Remuneration	In the event where the Company in any financial year has no profits or its profits are inadequate, the Company will pay remuneration, for a period of 3 years, by way of Salary, Benefits, Perquisites, Allowances and Performance linked bonus as specified above.

2. Sambhav Gautam Chowdhary

Sambhav Gautam Chowdhary has been a Director on the Board of our Company since February 22, 2012. He was re-appointed as the Joint Managing Director of our Company for a period of 3 years with effect from September 1, 2023

pursuant to a Shareholders' resolution dated September 1, 2023. The following table sets forth the terms of appointment of Sambhav Gautam Chowdhary.

Basic Salary	₹1 million per month
Performance incentive or commission	Annual increment to be effective from April 01 every year which will be decided by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and will be performance based taking into account the Company's performance, within the said maximum amount. Performance Linked Bonus: In addition to the Salary, Benefits, Perquisites and Allowances, such remuneration by way of annual performance linked bonus may be paid subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board.
Perquisites	In addition to the salary received, the Joint Managing Director of our Company is entitled to the following perquisites and allowances: <ul style="list-style-type: none"> a) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities for the said accommodation OR House Rent and Maintenance Allowance of 85% of Salary per annum. b) Reimbursement of hospitalization and major medical expenses incurred as per Rules of the Company (including medical insurance premium). c) Car facility as per rules of the Company. d) Telecommunication facility as per Rules of the Company. e) Housing Loan facility as per the Rules of the Company f) Other perquisites and allowances given below subject to a maximum of 55% of Salary per annum including medical allowance, Leave Travel Concession/Allowance, other allowances, Personal Accident allowance and Annual club membership fees. g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per Rules of the Company h) Leave and encashment of unavailed leave as per the Rules if the Company
Minimum Remuneration	In the event where the Company in any financial year has no profits or its profits are inadequate, the Company will pay remuneration, for a period of 3 years, by way of Salary, Benefits, Perquisites, Allowances and Performance linked bonus as specified above.

3. Shreyans Gautam Chowdhary

Shreyans Gautam Chowdhary has been a Director on the Board of our Company since February 22, 2012. He was re-appointed as the Joint Managing Director of the Company for a period of 3 years with effect from September 1, 2023 pursuant to a Shareholders' resolution dated September 1, 2023. The following table sets forth the terms of appointment of Shreyans Gautam Chowdhary:

Basic Salary	₹1 million per month
Performance incentive or commission	Annual increment to be effective from April 01 every year which will be decided by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and will be performance based taking into account the Company's performance, within the said maximum amount. Performance Linked Bonus: In addition to the Salary, Benefits, Perquisites and Allowances, such remuneration by way of annual performance linked bonus may be paid subject to achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board.
Perquisites	In addition to the salary received, the Joint Managing Director of our Company is entitled to the following perquisites and allowances: <ul style="list-style-type: none"> a) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities for the said

	<p>accommodation OR House Rent and Maintenance Allowance of 85% of Salary per annum.</p> <p>b) Reimbursement of hospitalization and major medical expenses incurred as per Rules of the Company (including medical insurance premium).</p> <p>c) Car facility as per rules of the Company.</p> <p>d) Telecommunication facility as per Rules of the Company.</p> <p>e) Housing Loan facility as per the Rules of the Company</p> <p>f) Other perquisites and allowances given below subject to a maximum of 55% of Salary per annum including medical allowance, Leave Travel Concession/Allowance, other allowances, Personal Accident allowance and Annual club membership fees.</p> <p>g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per Rules of the Company</p> <p>h) Leave and encashment of unavailed leave as per the Rules if the Company</p>
Minimum Remuneration	In the event where the Company in any financial year has no profits or its profits are inadequate, the Company will pay remuneration, for a period of 3 years, by way of Salary, Benefits, Perquisites, Allowances and Performance linked bonus as specified above.

Remuneration details of our Executive Director

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2024 is as follows:

Name of Director	Remuneration (₹ in million)
Gouthamchand Sohanlal Chowdhary	7.50*
Sambhav Gautam Chowdhary	7.50*
Shreyans Gautam Chowdhary	7.50*

*As per Restated Consolidated Financial Statements

Sitting fees of Non – Executive and Independent Directors:

Pursuant to the Board resolution dated November 1, 2023, each Independent Director of the Company, is entitled to receive sitting fees of ₹0.02 million per meeting for attending meetings of the Board, committees of the board and general meetings of the Company each.

Details of the remuneration paid to the Independent Directors of our Company for the Fiscal 2024 are as follows:

No sitting fees or commission was paid by our Company to any Independent Directors in Fiscal 2024.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

Name of Director	Number of Equity Shares held
Gouthamchand Sohanlal Chowdhary	15,301,100
Sambhav Gautam Chowdhary	32,600,000
Shreyans Gautam Chowdhary	32,465,000

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in “*Our Management – Terms of appointment of Directors – Remuneration to Executive Directors*” on page 276.

Further, other than Gouthamchand Sohanlal Chowdhary, the Chairman and Managing Director of the Company, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary, the Joint Managing Directors, none of our Directors have any interest in the promotion or formation of our Company.

Except as disclosed below, none of our Directors have any direct or indirect interest in the properties that our Company has taken on lease:

Our Registered Office has been leased to us by Sambhav Starch Products Private Limited, a member of our Promoter Group, and one of our Group Companies, in which our Executive Directors & Promoters, Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary are directors. Our Company (“**Licensee**”) has executed a Leave and License Agreement dated March 6, 2024 with Sambhav Starch Products Private Limited (“**Licensor**”) for the use and occupation of its Registered Office and R&D center.

For further details please refer to the heading “*Our Properties*” in the chapter titled “*Our Business*” at page 254 of this Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” on page 305 and 295 respectively of this Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary, the Promoters Managing Director and Joint-Managing Directors of our Company have provided personal guarantees for the working capital and term loan facilities availed by the Company. For further details, please refer to the section titled “*Details of guarantees given to third parties by Promoters offering their Equity Shares in the Offer*” in the chapter titled “*History and Certain Corporate Matters*” on page 267.

Except as stated in “*Restated Consolidated Financial Statements - Notes to Financial Information- Note 46 – Related Party Transactions*” on page 347 of this Red Herring Prospectus, our Directors do not have any other interest in the business of our Company

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Except as stated below, there has been no change in the Board in the three preceding years of the date of filing of this Red Herring Prospectus:

Name	Date of change	Reason for change
Kuldeep Shah	September 30, 2021	Appointment as Additional Non-Executive Director
	September 30, 2022	Regularisation as Independent Director

Name	Date of change	Reason for change
	November 1, 2023	Resignation as Independent Director*
Sourabh Vijay Patawari	September 30, 2021	Appointment as Additional Non-Executive Director
	September 30, 2022	Regularisation as Independent Director
	November 1, 2023	Resignation as Independent Director*
Samiksha Shreyans Chowdhary	September 5, 2022	Appointment as Additional Non-Executive Director
	September 30, 2022	Regularisation as Non-executive Director
	November 1, 2023	Resignation as Non-executive Director
Gouthamchand Chowdhary	Sohanlal September 1, 2023	Re-appointment as Managing Director
Sambhav Gautam Chowdhary	September 1, 2023	Re-appointment as Joint-Managing Director
Shreyans Gautam Chowdhary	September 1, 2023	Re-appointment as Joint-Managing Director
Aniket Sunil Talati	November 1, 2023	Appointment as Additional Independent Director
	November 28, 2023	Regularisation as Independent Director
Sejal Ronak Agrawal	November 1, 2023	Appointment as Additional Independent Director
	November 28, 2023	Regularisation as Independent Director
Atul Agrawal	November 1, 2023	Appointment as Additional Independent Director
	November 28, 2023	Regularisation as Independent Director

* The erstwhile independent directors of our Company resigned from their post due to other commitments.

Borrowing powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the special resolution dated November 28, 2023 passed by the Shareholders of the Company, the Board may borrow as and when required from any bank and/or other financial institutions and/or foreign lender and/or anybody corporate/entity/ entities and/or authorities either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of ₹6,000 million notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves not set apart for any specific purpose.

Remuneration from subsidiary(ies)

As on date of this Red Herring Prospectus, our Company has one subsidiary namely, Expression Commercial LLP. During the Fiscal 2024, none of the Directors have received any remuneration from Expression Commercial LLP.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of the Board of directors:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee; and
- (d) Corporate Social Responsibility Committee.

For purposes of the Offer, our Board has also constituted an IPO Committee.

Audit Committee

The Audit committee was last reconstituted by a resolution of our Board dated November 1, 2023. The current constitution of the Audit Committee is as follows:

Name of the Director	Position in the Committee	Designation
Aniket Sunil Talati	Chairman	Independent Director
Sejal Ronak Agrawal	Member	Independent Director
Shreyans Gautam Chowdhary	Member	Joint Managing Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

The constitution, scope and function of the Audit Committee are in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations.

The terms of reference of the Audit Committee include:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee of the Company;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

- e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

A. Role of Audit Committee

The role of the Audit Committee shall include the following

1. Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Approval or any subsequent modification of transactions of the Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members of the committee and the other members of the committee shall reuse themselves on the discussions related to related party transactions;
Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary; Appointment of Registered Valuer under Section 247 of the Companies Act, 2013.
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee; and
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
24. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
26. Reviewing the utilization of loans and/or advances from/investment by the Company;
27. the Audit Committee shall review compliance with the provisions of the SEBI Insider Trading Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;
28. to consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders; and
29. Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws, and carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial position and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- f) Statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
- g) the financial statements, in particular, the investments made by any unlisted subsidiary; and
- h) such information as may be prescribed under the Companies Act and SEBI Listing Regulations

Nomination and Remuneration Committee

The Nomination and Remuneration committee was re-constituted by a resolution of our Board dated November 1, 2023. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of the Director	Position in the Committee	Designation
Aniket Sunil Talati	Chairman	Independent Director
Sejal Ronak Agrawal	Member	Independent Director
Atul Agrawal	Member	Independent Director

The constitution, scope and function of the Nomination and Remuneration Committee are in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

- a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- b. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals
- c. Formulating criteria for evaluation of performance of independent directors and the Board;
 - d. Devising a policy on diversity of Board;
 - e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
 - f. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - g. Recommending to the board, all remuneration, in whatever form, payable to senior management;
 - h. Analyzing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
 - i. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 - j. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
 - k. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 - l. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
 - m. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

- The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
- n. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
- o. Performing such other functions as may be necessary or appropriate for the performance of its duties; and
- p. Perform functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2022.
- q. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) including the following:
- Determining the eligibility of employees to participate under the ESOP Scheme;
 - Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - Date of grant;
 - Determining the exercise price of the option under the ESOP Scheme;
 - The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
 - The grant, vest and exercise of option in case of employees who are on long leave;
 - Allow exercise of unvested options on such terms and conditions as it may deem fit;
 - The procedure for cashless exercise of options;
 - Forfeiture/ cancellation of options granted;
 - Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- r. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

Stakeholders Relationship Committee

The Stakeholders’ Relationship Committee was reconstituted by a resolution of our Board dated November 1, 2023. The current constitution of the Stakeholders Relationship Committee is as follows:

Name of the Director	Position in the Committee	Designation
Aniket Sunil Talati	Chairman	Independent Director
Sejal Ronak Agrawal	Member	Independent Director
Gouthamchand Sohanlal Chowdhary	Member	Managing Director

The constitution, scope and function of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee include:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
2. Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
3. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
5. Review of measures taken for effective exercise of voting rights by shareholders;
6. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;
7. To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
8. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
9. To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;
10. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
11. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was last re-constituted by our Board at its meeting held on November 1, 2023 in accordance with Section 135 of the Companies Act. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Director	Position in the Committee	Designation
Atul Agarwal	Chairman	Independent Director
Sejal Ronak Agrawal	Member	Independent Director
Gouthamchand Sohanlal Chowdhary	Member	Managing Director

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To review and recommend the amount of expenditure to be incurred on the activities referred to in (1) and amount to be incurred for such expenditure shall be as per the applicable law;
3. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4. To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
5. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
6. To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
7. To do such other acts, deeds and things as may be required to comply with the applicable laws; and;
8. To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.

The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

- the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the Company;
9. To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”

IPO Committee

The IPO Committee was constituted by a meeting of our Board held on November 1, 2023. The members of the IPO Committee are:

Name of the Director	Position in the Committee	Designation
Gouthamchand Sohanlal Chowdhary	Chairman	Managing Director
Sambhav Gautam Chowdhary	Member	Joint Managing Director
Shreyans Gautam Chowdhary	Member	Joint Managing Director

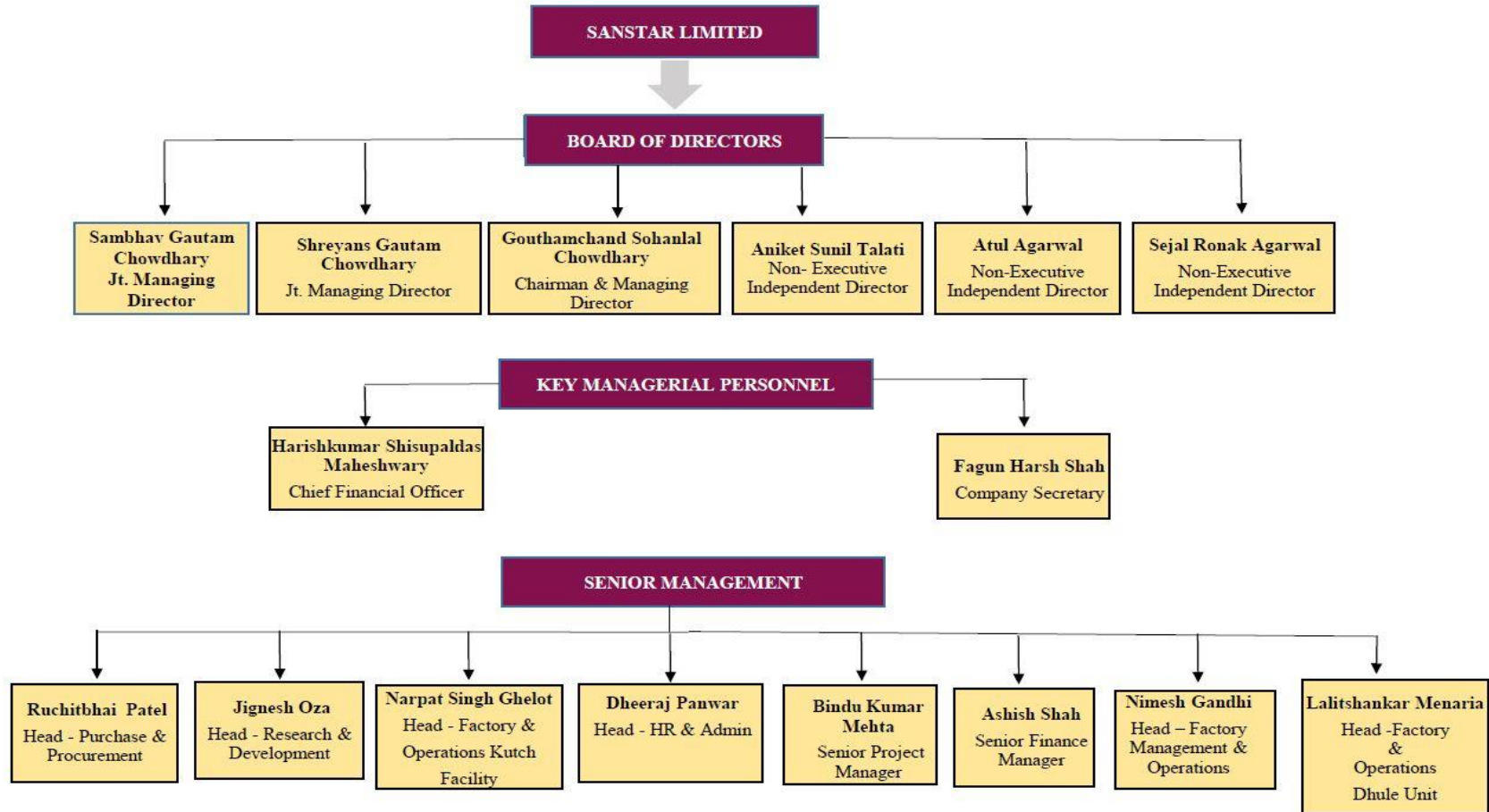
The terms of reference of the IPO Committee include the following:

1. To decide, negotiate and finalize, in consultation with the book running lead manager appointed in relation to the Offer (the “BRLM”), all matters regarding the Pre-Offer Placement, if any, out of the fresh issue of Equity Shares by the Company in the Offer, decided by the Board, including entering into discussions and execution of all relevant documents with Investors;
2. To amend the terms of participation by the Selling Shareholders in the Offer for Sale;
3. To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
4. To decide on other matters in connection with or incidental to the Offer, including the pre-Offer placement, timing, pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening and bid/Offer closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BLRMs and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;
5. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus (the “DRHP”), the red herring prospectus (the “RHP”) and the Prospectus as applicable;
6. To finalize, settle, approve, adopt and file in consultation with the BRLM where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
7. To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
8. To approve the relevant Restated Consolidated Financial Statements to be issued in connection with the Offer;
9. To appoint and enter into and terminate arrangements with the BRLM, and appoint and enter into and terminate arrangements in consultation with the BRLM with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bankers to the Offer, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Offer, depositories, custodians, grading agency, monitoring agency, industry expert, credit rating agencies, printers, and any other agencies or persons or intermediaries whose appointment is required in relation to the Offer including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLM and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the BRLM;
10. To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

11. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLM and any other agencies/intermediaries in connection with the Offer with the power authorize one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
12. To authorise the maintenance of a register of holders of the Equity Shares;
13. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;
14. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
15. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
16. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
17. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
18. To approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
19. To implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;
20. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Offer to sign all or any of the aforesaid documents;
21. To authorize and approve notices, advertisements in relation to the Offer, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Offer;
22. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLM;
23. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

24. To make applications for listing of the Equity Shares in one or more stock exchanges for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;
25. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;
26. To authorize any concerned person on behalf of the Company to give such declarations, affidavits, undertakings, certificates, consents and authorities as may be required from time to time in relation to the Offer or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;
27. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board or any other committee thereof may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;
28. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
29. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;
30. To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLM; and
31. To delegate any of its powers set out under (a) to (ee) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company

MANAGEMENT ORGANISATION CHART



Key Managerial Personnel

In addition to the Managing Directors of our Company, whose details are provided in “*Board of Directors*” on page 274, the details of the Key Managerial Personnel of our Company are as follows:

Harishkumar Shisupaldas Maheshwary is the Chief Financial Officer of our Company with effect from March 31, 2015. He holds a bachelor’s degree in commerce from the Rajasthan University and has cleared the professional examination of the Institute of Company Secretaries of India. He is a qualified chartered accountant and a member of the Institute of Chartered Accountants of India. He handles the accounting and financial related matters of the Company. He received a remuneration of ₹ 1.69 million for the Fiscal 2024.

Fagun Harsh Shah is the Company Secretary and Compliance Officer of our Company. She has been appointed as Company Secretary of our Company with effect from June 15, 2020. She holds bachelors of commerce from Gujarat University and is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Monil S Shah & Associates and Addin Power Limited. She received a remuneration of ₹ 0.51 million for the Fiscal 2024. She is currently responsible for secretarial and legal compliance work in the Company.

All our Key Managerial Personnel are permanent employees of our Company

Senior Management Personnel

The details of our Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Red Herring Prospectus are set forth below:

Ruchitbhai Patel

Ruchitbhai Patel heads the Purchase and Procurement department of our Company. He has been associated with our Company since March 30, 2021. He holds a bachelor’s degree in Electrical Engineering. Previously he has worked with Torrent Pharmaceuticals Limited. He received a remuneration of ₹ 0.69 million for the Fiscal 2024.

Jignesh Oza

Jignesh Oza heads the Research and Development department of our Company. He has been associated with our Company since February 23, 2023. He holds a master’s degree in Organic Chemistry from Gujarat University. Previously he was working with Anil Limited as a Manager in the Research and Development Department. He received a remuneration of ₹ 0.29 million for Fiscal 2024.

Ashish Shah

Ashish Shah is the Senior Finance Manager of our Company. He has been associated with our Company since July 23, 2022 (he has previously worked with erstwhile Sanstar Biopolymers Limited, from August 17, 2009 to September 30, 2021). He holds a bachelor’s degree in commerce from the Gujarat University. He received a remuneration of ₹ 0.94 million for the Fiscal 2024.

Dheeraj Panwar

Dheeraj Panwar heads the Human Resource and Administration in our Company. He has been associated with our Company since March 1, 2022. He holds a degree in Master of Business Administration and a diploma in Expert Management from the Indian Institute of Export Management, Bangalore. Previously, he has worked with Grainspain Nutrients Private Limited. He received a remuneration of ₹ 0.18 million for the Fiscal 2024.

Bindu Kumar Mehta

Bindu Kumar Mehta is the Senior Project Manager in our Company. He has been associated with our Company since May 11, 2023. He holds a bachelor’s degree in Engineering from Jodhpur. Further, he has also pursued post graduate

diploma in management. Previously, he has been a director of Riddhi Siddhi Gluco Biols Limited and Siwana Agro Marketing Limited. He received a remuneration of ₹ 2.67 million for the Fiscal 2024.

Lalitshankar Menaria

Lalitshankar Menaria is the Head of Factory and Operations of the Dhule Facility. He has been associated with our Company since October 1, 2013. He received a remuneration of ₹ 1.24 million for the Fiscal 2024.

Narpat Singh Ghelot

Narpat Singh Ghelot is the Head of Factory & Operations of the Kutch Facility. He has completed his secondary education from the Rajasthan State Board. Previously, he has worked with erstwhile Sanstar Biopolymers Limited as a Purchase Manager from 2005 until 2021. He has also worked with Venus Interlinings Private Limited. He rejoined Sanstar Biopolymers Limited with effect from October 03, 2022. Pursuant to the scheme of amalgamation entered into between our Company and Sanstar Biopolymers Limited his services were continued with Sanstar Limited in terms of Section 232(3)(g) of the Companies Act, 2013. He received a remuneration of ₹ 0.93 million for the Fiscal 2024.

Nimesh Gandhi

Nimesh Gandhi is the Head of Factory, Management and Operations of our Company. He holds a bachelor's degree in mechanical engineering from Saurashtra University. Previously, he has worked with Supreme Services Limited. He has been associated with erstwhile Sanstar Biopolymers Limited since October 28, 2014. Pursuant to the merger of erstwhile Sanstar Biopolymers Limited with our Company vide Scheme of Amalgamation his services stand continued with Sanstar Limited in terms of Section 232 (3) (g) of the Companies Act, 2013. He received a remuneration of ₹ 1.54 million for the Fiscal 2024.

All our Senior Managerial Personnel are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Management Personnel and Directors

Except as disclosed in “*Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel*” on page 275, none of our Key Managerial Personnel and Senior Management Personnel are related to each other

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel and Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Except our Managing Director and Joint-Manging Directors, as disclosed in “*Shareholding of Directors in our Company*” on page 278, none of our Key Managerial Personnel or Senior Management Personnel of our Company hold any Equity Shares in our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel

As on the date of this Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel and Senior Management Personnel for Fiscal 2024, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

Our Company has no profit-sharing plan in which the Key Managerial Personnel and Senior Management Personnel participate.

Interest of our Key Managerial Personnel and Senior Management Personnel

The Key Managerial Personnel and Senior Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

The Key Managerial Personnel and Senior Management Personnel may also be deemed to be interested in the Equity Shares, if any, held by them, and dividend payable to them and other distributions in respect of Equity Shares held by them, if any.

Changes in the Key Managerial Personnel and Senior Management Personnel in last three years

Except the details mentioned under “Changes in the Board in the last three years” on page 279, the details of the changes in the Key Managerial Personnel and Senior Management Personnel of our Company in the last three years are as follows:

Name	Designation	Date of change	Reason of change
Dheeraj Panwar	Head - Human Resources and Administration	March 1, 2022	Appointment
Bindu Kumar Mehta	Senior Project Manager	May 11, 2023	Appointment
Ashish Shah	Senior Finance Manager	July 23, 2022	Appointment
Jignesh Oza	Head – Research & Development	February 23, 2023	Appointment

Note : Pursuant to the Scheme of Amalgamation entered into between our Company and Sanstar Biopolymers Limited ('Transferor Company') under Section 230 of the Companies Act, 2013 and approved by NCLT, Ahmedabad vide order dated November 23, 2023, the services of Narpal Singh Ghelot and Nimesh Gandhi stand continued with Sanstar Limited in terms of Section 232 (3) (g) of the Companies Act, 2013.

The rate of attrition of our Key Managerial Personnel and Senior Management Personnel is not high in our Company.

Payment or benefits to the Key Managerial Personnel and Senior Management Personnel

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's officers and Key Managerial Personnel and Senior Management Personnel within the two preceding years from the date of filing of this Red Herring Prospectus, other than in the ordinary course of their employment.

Employee stock option plan

Our Company does not have any Employee Stock Option Schemes as on date of this Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary & Shreyans Gautam Chowdhary.

As on date of this Red Herring Prospectus, our Promoters, in aggregate, hold 80,366,100 Equity Shares in our Company, representing 57.22% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoters*" on page 103.

Details of our Promoters



Gouthamchand Sohanlal Chowdhary

Gouthamchand Sohanlal Chowdhary, aged 66 years, is one of our Promoters and is also the Chairman and Managing Director on the Board. For a complete profile of Gouthamchand Sohanlal Chowdhary i.e., his date of birth, residential address, experience, responsibilities and functions in our Company, educational qualification and other directorships please see "*Our Management*" on page 272.

His permanent account number is **AAXPC6655J**.



Sambhav Gautam Chowdhary

Sambhav Gautam Chowdhary, aged 41 years, is one of our Promoters and is also the Joint Managing Director on the Board. For a complete profile of Sambhav Gautam Chowdhary i.e., his date of birth and residential address, educational qualification, responsibilities and functions in our Company experience and past associations see "*Our Management*" on page 272.

His permanent account number is **ADDPC9929Q**.



Shreyans Gautam Chowdhary

Shreyans Gautam Chowdhary, aged 39 years, is one of our Promoters and is also the Joint Managing Director on the Board. For a complete profile of Shreyans Gautam Chowdhary i.e., his date of birth, residential address, educational qualification, responsibilities and functions in our Company, positions/posts held in the past and other directorships please see "*Our Management*" on page 272.

His permanent account number is **AEEPC8072J**.

Our Company confirms that the permanent account numbers, bank account number(s), the passport numbers, Aadhaar card number and driving license of each of our Promoters were submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in “*Entities forming part of our Promoter Group*” below and in section “*Our Management*” on page 270, our Promoters are not involved in any other ventures.

Change in the control of our Company

Pursuant to an Agreement of Sale and Transfer dated February 22, 2012 executed between Continental Construction Limited (‘**Seller**’) and Gouthamchand Sohanlal Chowdhary, the entire shareholding of the Seller in our Company (known as Continental Papers Limited during the period of reference) was transferred to Gouthamchand Sohanlal Chowdhary.

Further, in the last five (05) years immediately preceding the date of this Red Herring Prospectus, there has been no change in control of our Company.

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and shareholding of the members of the Promoter Group in our Company, directly and indirectly, the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, directly or indirectly, from time to time. For details of the shareholding of our Promoters in our Company, please see the section entitled “*Capital Structure*” and “*Our Management – Interests of Directors*” on pages 93 and 278 respectively.

Our Promoters, who are also Directors, may be deemed to be interested to the extent of their remuneration/fees and reimbursement of expenses, payable to them, if any. For further details, please see the section entitled “*Our Management – Interest of Directors*” on page 278.

Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed below, none of our Promoters have any direct or indirect interest in the properties that our Company is using on a leasehold or rental or leave and license basis:

Our Registered Office has been leased to us by Sambhav Starch Products Private Limited, a member of our Promoter Group, and one of our Group Companies, in which our Executive Directors & Promoters, Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary are directors. Our Company (“**Licensee**”) has executed a Leave and License Agreement dated March 6, 2024 with Sambhav Starch Products Private Limited (“**Licensor**”) for the use and occupation of its Registered Office and R&D center.

Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary, the Promoters and Managing Director and Joint – Managing Directors of our Company have provided personal guarantees for the working capital and term loan facilities availed by the Company. For further details, please refer to the chapter titled “*Financial Indebtedness*” on page 390.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in the sections titled “*Other Financial Information - Related Party Transactions*” *Notes to Restated Consolidated Financial Statements* – Note 46 – *Related party transactions*”, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter

Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

Experience of the Promoters in the business of our Company

Our Promoters have adequate experience in the industry in which our Company conducts its business. For details of experience of our Promoters in the industry in which our Company conducts its business, please refer to the chapter titled “*Our Management*” beginning on page 272.

Disassociation by our Promoters in the last three years

The Promoters have not disassociated themselves from any companies or firms during the last three (03) years preceding the date of this Red Herring Prospectus:

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Red Herring Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Promoter Group

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) the SEBI ICDR Regulations are set out below:

Individuals forming part of the Promoter Group:

The individuals forming a part of our Promoter Group are as follows:

Name of the Promoter	Members of the Promoter Group	Relationship with the Promoter	
Gouthamchand Chowdhary	Rani Gouthamchand Chowdhary	Spouse	
	Gulabdevi Sohanlal Chowdhary	Mother	
	Mahaveer Sohanlal Chowdhary	Brother	
	Mohini Devi Chopra	Sister	
	Santosh Shah	Sister	
	Sohanlal	Sambhav Gautam Chowdhary	Son
		Shreyans Gautam Chowdhary	Son
		Mithal Gautamchand Chowdhary	Daughter
		Rajkumar Ranka	Spouse’s Brother

Sambhav Gautam Chowdhary	Leela Devi Choudhary	Spouse's Sister	
	Richa Sambhav Chowdhary	Spouse	
	Gouthamchand Chowdhary	Sohanlal Father	
	Rani Gouthamchand Chowdhary	Mother	
	Shreyans Gautam Chowdhary	Brother	
	Mithal Gautamchand Chowdhary	Sister	
	Arahant Sambhav Chowdhary	Son	
	Aashvee Sambhav Chowdhary	Daughter	
	Doulat Jain	Spouse's Father	
	Gulab Jain	Spouse's Mother	
	Rini Jain	Spouse's Sister	
	Shreyans Gautam Chowdhary	Samiksha Shreyans Chowdhary	Spouse
		Gouthamchand Chowdhary	Sohanlal Father
		Rani Gouthamchand Chowdhary	Mother
Sambhav Gautam Chowdhary		Brother	
Mithal Gautamchand Chowdhary		Sister	
Arishth Shreyans Chowdhary		Son	
Vardhman Shreyans Chowdhary		Son	
Surendra Kumar Bothra		Spouse's Father	
Nirmala Devi Bothra		Spouse's Mother	
Subahu Kumar Bothra		Spouse's Brother	
Preksha Kumari Bothra		Spouse's Sister	
Anupreksha Jain		Spouse's Sister	

* The first name of Gouthamchand Sohanlal Chowdhary is also spelt as Gautam, Gautamchand and Gauthamchand in certain identity proofs.

Entities forming part of our Promoter Group:

The entities forming part of our Promoter Group are as follows:

Sr. No.	Name of Promoter Group Entity	(A) Promoter or Immediate Relative of Promoter or Firm/ HUF (in which promoter or relative is member) holding 20% or more equity share capital in a body corporate	Body corporate in which a body corporate as provided in column (A) holds 20% or more of the equity share capital	HUF or firms in which aggregate share of Promoter and their relatives is 20% or more of the total capital
1.	Sambhav Starch Products Private Limited	a) Rani Gouthamchand Chowdhary b) Gouthamchand Sohanlal Chowdhary	-	-
2.	Sanstar Gems & Jewels Private Limited #	a) Gouthamchand Sohanlal Chowdhary b) S Gouthamchand Chowdhary HUF c) Sambhav Gautam Chowdhary d) Shreyans Gautam Chowdhary e) Richa Sambhav Chowdhary f) Rani Gouthamchand Chowdhary	-	-
3.	Artex Vinimay LLP	a) Rani Gouthamchand Chowdhary b) Richa Sambhav Chowdhary	-	-

			c)	Samiksha Chowdhary	Shreyans		
4.	Santosh Limited		a)	Mahaveer Chowdhary	Sohanlal	-	-
5.	Suvidhi Corporation Limited		a)	Mahaveer Chowdhary	Sohanlal	-	-
6.	Sanfo Foods Private Limited		a)	Mahaveer Chowdhary	Sohanlal	-	-
7.	Rajkumar Jain Matrimonial Services Private Limited		a)	Rajkumar Ranka		-	-
8.	JG Private Limited	Impex	a)	Doulat Jain			
			b)	Gulab Jain			
9.	Clair Industries Private Limited	Electro		Doulat Jain			
10.	Cheer and Investment Private Limited	Trading	a)	Santosh Shah		-	-
11.	Cilantro Products Limited	Food Private	a)	Santosh Shah		-	-
12.	Santosh Products Limited	Starch	a)	Mahaveer Chowdhary	Sohanlal	-	-
13.	S Gauthamchand Chowdhary HUF		-			-	a) Gouthamchand Sohanlal Chowdhary
14.	Chowdhary Sambhav Gautam HUF		-			-	a) Sambhav Gautam Chowdhary
15.	Shreyans Gautam Chowdhary HUF		-			-	a) Shreyans Gautam Chowdhary
16.	Axis Chemical Private Limited		-		a) Santosh Products Limited	Starch Private	-
17.	Hindustan Biopolymers Private Limited		-		a) Santosh Products Limited	Starch Private	-
18.	J. G. Holdings & Investments Private Limited		a)	Doulat Jain			
19.	JG Tres LLP		a)	Gulab Jain			

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed in the offer document, as covered under applicable accounting standards, and (ii) any other company considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than the Subsidiary) with which the Company had related party transactions as per the Restated Consolidated Financial Statements included, as covered under the applicable accounting standards, shall be considered as Group Companies of the Company in terms of the SEBI ICDR Regulations.

Accordingly, in terms of the Materiality Policy for identification of Group Companies, the Board has identified following companies as our Group Companies:

Details of our Group Companies

1. Sambhav Starch Products Private Limited

Registered Office

The registered office of Sambhav Starch Products Private Limited (‘SSPPL’) is situated at Sanstar House, near Piramal Under Bridge, opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India.

Financial Information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available on a standalone basis of Sanstar Limited, for the Fiscals 2023, 2022 and 2021, are available at www.sanstar.in.

Business

The extracts of main objects clause of SSPPL is as follows:

“To carry on the business of manufacturers, importers, exporters and dealers in Maize, Maize oil, Maize Chunnie, Gluton Powder, Maize dry bran oil cake, Maize starch powder, Modify starches, Dextrins Meprozyme, Meprobrate, Glucose Liquid, Dextrose Powder, Anhydrous Dextrose Powder, Sorbitol Menitol – Tapioca Chips, Tapioca Starch, Sago, Gwar, Ground Nut Oil, Ground Nut Cake, Ground-nut, Ground nut-seeds, wheat brad, Turmeric, Temrind Starch, Termind Seeds, Cotton, Cotton Seeds, Cotton Oil, Cotton Cake, Castor Oil, Castor Seeds, Castor, Cake, Sugar, Jaggery and all other related by-products thereof and to workup buy, sale or dealing all types of grains, chemicals, Dyes, intermediates and Cloth”.

Though the main objects clause of SSPPL allows it to conduct a business similar to that of our Company, for Fiscals 2023 and 2022 major items of income of SSPPL are rent, dividend, interest, commission and profit on sale of shares and as on date of this RHP it does not have manufacturing unit or facilities.

Key financial information of SSPPL

(₹ in million)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	9.31	8.62	8.23
Total Income	24.24	21.54	14.48
EBITDA	(10.11)	3.79	4.89
PAT	(14.60)	9.21	8.22

Audited Financials for Fiscal 2024 are not available as on date of this RHP.

2. Sanstar Gems & Jewels Private Limited

Registered Office

The registered office of Sanstar Gems & Jewels Private Limited ('**SGJPL**') is situated at Sanstar House, near Piramal Under Bridge, opposite Suvidha Shopping Centre, Paldi, Ahmedabad – 380 007, Gujarat, India.

Financial Information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available on a standalone basis of Sanstar Limited, for the Fiscals 2023, 2022 and 2021, are available at www.sanstar.in.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

Business

Sanstar Gems & Jewels Private Limited is in the business of jewellery and investment trading.

Key financial information of SGJPL

Particulars	(₹ in million)		
	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	9.56	4.46	8.52
Total Income	10.05	6.84	9.20
EBITDA	0.39	(0.53)	(0.18)
PAT	0.57	1.34	0.42

Audited Financials for Fiscal 2024 are not available as on date of this RHP.

Litigation which has a material impact on our Group Companies

There is no pending litigation involving our Group Companies which has or will have a material impact on our Company.

Nature and extent of interest of Group Companies

Interest in the promotion of our Company

Our Group Companies do not have any interest in the promotion of our Company.

Interest in the properties acquired by our Company in the preceding three years before filing of this Red Herring Prospectus or proposed to be acquired by our Company.

Except as disclosed below, our Group Companies do not hold any interest in the properties acquired by our Company in the preceding three years before filing of this Red Herring Prospectus or proposed to be acquired by our Company:

Our Registered Office has been leased to us by Sambhav Starch Products Private Limited, a member of our Promoter Group, and one of our Group Companies, in which our Executive Directors & Promoters, Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary are directors. Our Company ("**Licensee**") has executed a Leave and License Agreement dated December 30, 2023 with Sambhav Starch Products Private Limited ("**Licensor**") for the use and occupation of its Registered Office and R&D center.

Interest in transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

The main objects clause forming part of the memorandum of association of one of Sambhav Starch Products Private Limited allows it to conduct a business similar to the business of our Company. For further details, please refer *Risk Factor No. 26 – “The memorandum of association of one of our Group Company viz., Sambhav Starch Products Private Limited (‘SSPPL’) allows it to conduct a business similar to the business of our Company. This may arise to a potential conflict of interest for our Company and which may have an adverse effect on our business, financial condition and results of operations”* on page 51.

Related Business Transactions within the group and significance on the financial performance of our Company

Except as disclosed in the section “*Financial Information – Restated Consolidated Financial Statements – Note 46*” on page 347, there are no related business transactions between our Company and Group Companies.

Business interests or other interests

Except in the ordinary course of business and as disclosed in section “*Financial Information – Restated Consolidated Financial Statements - Note 46- Related Party Transactions*” on page 347, our Group Companies do not have any business interest in our Company.

Other Confirmations

Our Group Companies do not have any securities listed on a stock exchange. Further, our Group Companies have not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during Fiscals 2024, 2023 and 2022 as per the requirements under the relevant accounting standards and as reported in the Restated Consolidated Financial Statements, see “*Restated Consolidated Financial Statements – on Page 347 on Notes to Financial Information - Note 46 – Related Party Disclosures*”.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by the Shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend, if any, will depend on a number of internal and external factors, including but not limited to profits earned or distributable surplus during the Fiscal, accumulated reserves including retained earnings, cash flows, debt repayment schedules, if any, and external factors including, but not limited to the macro-economic environment, regulatory changes and technological changes.

For details in relation to risks involved in this regard, please refer to “*Risk Factor No. 70 - Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*” on page 69 of this Red Herring Prospectus. Our Board shall recommend or declare dividend as per the provisions of the Companies Act, 2013 and any other applicable laws. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at a general meeting. Our Company has adopted a formal policy on dividend declaration pursuant to resolution of board of directors dated November 1, 2023. In accordance with our dividend policy, our Board shall recommend and declare dividend as per the provisions of Companies Act, 2013. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at a general meeting.

While the Company endeavours to pay dividend within the range of 7% - 15% of the post-tax profits as dividend to the shareholders of the Company in any Fiscal subject to sufficiency of stand-alone profits available for distribution of dividend in the relevant year and the said payout shall be subject to applicable taxes as per relevant regulations. However, the Board reserves the right to recommend a higher or a lower dividend based on the performance of that year and after taking into consideration other factors enumerated above.

SECTION – V FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

Sr. No	Particulars	Page No.
1.	Restated Consolidated Financial Statements	306-353

(Remainder of this page has been intentionally left blank)

Independent Auditor's Examination Report on Restated Consolidated Financial Information prepared in connection with the Proposed Issue of Equity Share of face value of Rs 2/- each pursuant to the Initial Public Offering (the "IPO") of Sanstar Limited

**The Board of Directors
Sanstar Limited**

Sanstar House,
Nr. Parimal under bridge,
Opp. Suvidha Shopping Centre,
Paldi, Ahmedabad-380007
Gujarat

Dear Sir,

1. This report is issued in accordance with the terms of our engagement agreed upon with you vide our engagement letter dated May 4, 2024, in connection with the proposed IPO of equity shares of the Company;
2. We S C Bapna & Associates, Chartered Accountants ("we" or "us") have examined the attached Restated Consolidated Financial Information expressed in Indian Rupee in millions of Sanstar Limited (hereinafter referred to as the "Company"), and its subsidiary (the company and its subsidiary together referred to as "the Group") comprising:
 - (a) the "Restated Consolidated Statement of Assets and Liabilities" as at March 31, 2024 and "Restated standalone Statement of Assets and Liabilities" as at March 31, 2023, and March 31, 2022;
 - (b) the "Restated Consolidated Statement of Profit and Loss Account" (including Other Comprehensive Income) for the year ended March 31, 2024, and the "Restated Standalone Statement of Profit and Loss Account" for the year(s) ended March 31, 2023, and March 31, 2022;
 - (c) the "Restated Consolidated Statement of Changes in equity" for the year March 31, 2024, and the "Restated Standalone Statement of Changes in equity" for the year March 31, 2023, and March 31, 2022;
 - (d) the "Restated Consolidated Statement of Cash Flows" for the year ended March 31, 2024 and the "Restated Standalone Statement of Cash Flows" for the year ended March 31, 2023 and March 31, 2022;
 - (e) the "Notes to Restated Consolidated Financial Information" for the year ended March 31, 2024 and the "Notes to Restated Standalone Financial Information" for the year ended March 31, 2023 and March 31, 2022, as prepared by the Management of the Company in connection with its proposed Initial Public Offering of Equity shares of the Company (the "IPO") in accordance with the requirements of:
 - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the 'Act') from time to time;

(ii) Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the “SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”); and

(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

The said Restated Consolidated Financial Information has been approved by the Board of Directors of the Company at their meeting held on May 16, 2024 for the purpose of inclusion in the Red Herring Prospectus (“RHP”) and the Prospectus (the “Prospectus”) (hereinafter collectively referred to as “Offer Documents”) which we have signed under reference to this report.

Management’s Responsibility for the Restated Consolidated Information

3. The company’s management and Board of Directors is responsible for the preparation of Restated Consolidated Financial Information for the purpose of inclusion in the offer document to be filed with Securities and Exchange Board of India (“SEBI”) , the stock exchanges where the equity shares of the Company are proposed to be listed (“Stock Exchanges”) and the Registrar of Companies, Ahmedabad (“ROC”) , in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note No. B I to the Restated Consolidated Financial Information.
4. The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company (‘Management’) for the purpose set out below. The Management’s Responsibility includes designing, implementing and maintenance of adequate internal financial controls Relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company and the acquired entity complies with the Act, Rules, ICDR Regulations and Guidance Note.

Auditor’s Responsibilities

5. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the Guidance Note and other applicable authoritative pronouncements issued by the ICAI and pursuant to the requirements of Section 26 of the Act, and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI Regulations and the Guidance Note in connection with the Issue.
6. We have examined the Restated Consolidated Financial Information taking into consideration:
 - a. The guidance note requires that we comply with the ethical requirements of code of ethics issued by the Institute of Chartered Accountants of India.
 - b. Concepts of test checks & materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Consolidated Financial Information; and
 - c. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist the Board of Directors in meeting their responsibilities in relation to the compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

7. These Restated Consolidated Financial Information, expressed in Indian Rupees in million, has been prepared by the Company's Management from:

- (a) The Audited Consolidated Financial Statements of the Company audited by us as at and for the financial year ended 31 March 2024 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 16, 2024.
- (b) The Audited Standalone Financial Statements of M/s Expression commercial LLP, a subsidiary, for the year ended March 31, 2024 prepared in accordance with the Ind AS, which have been approved by the Designated Partners of the LLP at their meeting held on May 16, 2024. The company has acquired the 99.99 % stake in Expression Commercial LLP vide agreement dated December 18, 2023.
- (c) The Audited Standalone Financial Statements of the Company audited by us for the year ended March 31, 2023 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 27, 2023. The company has given impact of Composite Scheme of Amalgamation between Sanstar Limited and Sanstar Bio Polymers Limited pursuant to order of NCLT dated November 23, 2023 to give effect of such amalgamation from April 1, 2022.
- (d) Audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2023 and March 31, 2022, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") including the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been audited and reported by erstwhile Statutory Auditor M/s Kamal M Shah & Co. for the year ended March 31, 2023 and by M/s Nahta Jain & Associates, Chartered Accountants for the years ended on March 31, 2022;
- (e) The financial information for the year ended March 31, 2023 and March 31, 2022 included in such restated financial information have been prepared by the management by preparing Ind-AS financial statements wherein Ind-AS transition / restatement adjustments have been made to the audited financial statements of the Company and prepared in accordance with the Indian accounting standards as notified under Companies Act, 2013.

8. For the purpose of our examination, we have relied on:

- a. Auditors' reports issued by us, dated May 16, 2024 on the audited Consolidated financial statements as at and for the financial years ended 31 March 2024 as referred above.
- b. Auditors' reports issued by us, dated December 27, 2023 on the audited standalone financial statements for the year ended March 31, 2023 prepared in accordance with Indian AS including the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), as referred above.

- c. Auditors' reports issued by M/s Kamal M Shah & Co, dated September 05, 2023 on the Audited Standalone Financial Statements for the financial years ended 31 March 2023 prepared in accordance with Indian GAAP including the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), as referred above.
- d. Auditors' reports issued by M/s Nahta Jain and Associates, dated September 05, 2022 for the financial year ended 31 March 2022 as referred above.

Opinion

- 9. Based on our examination and according to the information and explanations given to us for the respective years, we report that the Restated Consolidated Financial Information:
 - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping / classification;
 - b. does not contain any qualification requiring adjustments;
 - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

Emphasis of Matter

- 10. We draw attention to the following matters included in the Auditor's Report issued on May 16, 2024 for the Consolidated Financial Statements of the company for the year ended March 31, 2024, which have been reproduced as under:
 - a. We draw attention to Note No. 35 to the Consolidated Financial Statements as at March 31, 2024 in respect of the Scheme of Arrangement providing the amalgamation of Sanstar Bio Polymer Limited (Transferor Company), with Sanstar Limited (Transferee Company) and their respective shareholders and creditors ("the scheme") as approved by NCLT, Ahmedabad bench on November 23, 2023, in terms of the provisions of sections 230 to 232 read with sections 66 and other applicable provisions of the Companies Act, 2013. The appointed date for the amalgamation is April 01, 2022. However, the accounting treatment pursuant to the Scheme has been given effect from the date required under Ind AS-103 – Business Combinations. Accordingly, all the effects of such Scheme have been given in the consolidated financial statement of previous financial year.
 - b. We draw attention to note no. 41 to the Consolidated Financial Statements as at March 31, 2024 in respect of acquiring control stake of 99.99% as partner's capital in Expression Commercial LLP vide agreement dated December, 18, 2023.

Our opinion is not modified in respect of these matters.

Other Matters

11. As indicated in audit report referred to in paragraph 8 above, which have been reproduced as under:
 - a. We did not audit the Ind AS Financial statements of subsidiary for the year ended March 31, 2024, as considered in the consolidated Ind AS financial statements.
 - b. These financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid entity is based solely on the reports of the other auditors.
 - c. The Company has adopted all the Ind AS in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards for the Financial year 2022-23 for the Special purpose with respect to Initial Public Offer of Equity Share signed on November 15, 2023. Since the transition was carried out in FY 2022-23 from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP, therefore reconciliations and descriptions of the effect of the transition have been given in FY 2022-23 and same has not been done in these Consolidated Financial Statements. Our opinion is not modified in respect of the above matters
12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
14. Our report is intended solely for use of the Management and for inclusion in the offer documents to be filed with Securities and Exchange Board of India, relevant Stock Exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India, in connection with the IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, S C Bapna & Associates
Chartered Accountants
FRN: 115649W

Vijay Jain
Partner
Membership No. 420795
UDIN: 24420795BKBOGJ7117
Date: May 16, 2024
Place: Ahmedabad

SANSTAR LIMITED
(CIN - U15400GJ1982PLC072555)
Restated Consolidated Statement of Asset and Liabilities

Rs. in Millions

Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets				
Non-Current Assets				
a) Property, Plant and Equipment	2	2021.26	1957.45	1331.36
b) Capital work-in-progress	3	204.70	9.09	32.65
c) Financial Assets				
i. Investments	4	1.62	1.52	-
ii Other financial assets	5	12.96	20.76	1.69
Total Non-Current Assets		2240.54	1988.82	1365.70
Current Assets				
a) Inventories	6	1140.26	265.31	126.50
b) Financial Assets				
(i) Trade Receivables	7	1175.13	912.04	402.23
(ii) Cash and Bank Balances				
Cash and Cash Equivalents	8	31.75	62.70	6.43
Bank balance other than cash and cash equivalents	8	19.80	3.76	11.71
(iii) Others financial assets	9	5.74	4.10	0.09
c) Current Tax Assets	19	-	5.59	-
d) Other Current Assets	10	662.47	441.19	161.87
Total Current Assets		3035.15	1694.69	708.83
Total Assets		5275.69	3683.51	2074.53
Equity and Liabilities				
Equity				
a) Equity Share Capital	11	280.89	280.89	295.00
b) Other Equity	12	2256.73	1590.42	557.14
Total Equity		2537.62	1871.31	852.14
Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	13	309.20	342.81	575.40
(ii) Other Financial Liabilities	14	-	0.20	0.50
b) Provisions	15	-	0.82	0.37
c) Deferred Tax Liabilities (net)	16	317.46	255.22	109.57
Total Non-Current Liabilities		626.66	599.05	685.84
Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	13	967.16	774.19	276.84
(ii) Trade and Other Payables				
a) Total Outstanding due to MSME	17	6.39	12.82	5.50
b) Total Outstanding due to other than MSME	17	953.38	290.00	174.97
(iii) Other Financial Liabilities	14	16.06	27.70	2.64
b) Other current liabilities	18	34.81	61.25	44.35
c) Provisions	15	45.66	36.98	24.67
d) Current Tax Liabilities	19	87.95	10.21	7.58
Total Current Liabilities		2111.41	1213.15	536.55
Total Equity And Liabilities		5275.69	3683.51	2074.53

Material accounting policies

1

The accompanying notes (1 to 48) are an integral part of the Restated Consolidated Financial Information

As per our examination report of even date attached

For S C Bapna & Associates

Chartered Accountants

Firm Regn. No. 115649W

For and on behalf of the Board of Directors

SANSTAR LIMITED

Vijay Jain
Partner
M.No. 420795

Gouthamchand Sohanlal Chowdhary
(Chairman and Managing Director)
(DIN-00196397)

Sambhav Gautam Chowdhary
(Joint Managing Director)
(DIN-01370802)

UDIN: 244207958KB0GJ7117

Harishkumar Shishupaldas Maheshwary
(Chief Financial Officer)

Fagun Harsh Shah
(Company Secretary)

Place: Ahmedabad
Date: 16/05/2024

Place: Ahmedabad
Date: 16/05/2024

SANSTAR LIMITED
(CIN - U15400GJ1982PLC072555)
Restated Consolidated Statement of Profit and Loss

Rs. in Millions

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income				
Revenue from Operations	20	10672.71	12050.67	5044.02
Other Income	21	144.12	46.01	3.65
Total Income		10816.83	12096.68	5047.67
Expenses				
Cost of Material Consumed	22	8329.30	9588.56	3915.23
Purchase of stock in trade	23	-	11.61	-
Changes in inventory	24	-66.78	24.84	-44.44
Employee Benefit Expenses	25	219.58	193.25	104.75
Finance Costs	26	107.38	98.06	90.85
Depreciation and Amortization Expense	27	120.91	118.54	90.17
Other Expenses	28	1209.20	1507.94	671.28
Total Expense		9919.59	11542.80	4827.84
Profit Before Tax		897.24	553.88	219.83
Tax Expense:				
Current Tax	29	166.87	53.76	56.84
Deferred Tax	29	62.70	82.07	3.78
Total Tax Expenses		229.57	135.83	60.62
Profit for the period	(A)	667.67	418.05	159.21
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(a) Remeasurements of defined benefit plans		-1.92	0.99	0.36
(b) Equity instruments through other Comprehensive Income		0.11	0.06	-
Income tax relating to items that will not be reclassified to profit or loss				
(a) Remeasurements of defined benefit plans		0.48	-0.25	-0.09
(b) Equity instruments through other Comprehensive Income		-0.03	-0.01	-
	(B)	-1.36	0.78	0.27
Total Comprehensive Income	(A)+(B)	666.31	418.83	159.48
Earnings per Share - (Face value of Rs. 2 each)				
Basic and Diluted (in Rs.)	30	4.75	2.98	1.08

Material accounting policies

1

The accompanying notes (1 to 48) are an integral part of the Restated Consolited Financial Information

As per our examination report of even date attached
For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

For and on behalf of the Board of Directors
SANSTAR LIMITED

Gouthamchand Sohanlal Chowdhary
(Chairman and Managing Director)
(DIN-00196397)

Sambhav Gautam Chowdhary
(Joint Managing Director)
(DIN-01370802)

Vijay Jain
Partner
M.No. 420795

Harishkumar Shishupaldas Maheshwary
(Chief Financial Officer)

Fagun Harsh Shah
(Company Secretary)

UDIN: 24420795BKBOGJ7117

Place: Ahmedabad
Date: 16/05/2024

Place: Ahmedabad
Date: 16/05/2024

SANSTAR LIMITED
Restated Consolidated Statement of Cash Flow

Rs. in Millions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash Flow From Operating Activities			
Profit/ (Loss) Before Tax	897.24	553.88	219.83
Adjustments For:			
Depreciation and Amortisation Expenses	120.91	118.54	90.17
Finance Income	-13.35	-7.64	-0.39
Expected Credit Losses	3.95	0.20	0.04
Finance Cost	107.38	98.06	87.24
OCI Effect	-	-	-
Operating Profit Before Working Capital Changes	1116.13	763.04	396.89
Movements in Working Capital :			
(Increase) / decrease in Inventories	-874.95	-138.82	19.79
(Increase) / decrease in Trade Receivables	-267.04	-510.00	-193.45
(Increase) / decrease in Other Financial Assets	6.17	-23.08	0.20
(Increase) / decrease in Bank balance other than cash and cash equivalents	-16.04	7.95	-11.60
Increase / (decrease) in Trade Payables	656.96	122.34	85.67
(Increase) / decrease in Current Assets	-221.28	-279.32	33.62
(Increase) / decrease in Current Taxes	83.33	-2.95	8.45
Increase / (decrease) in Other Liabilities	-26.45	16.90	13.97
(Increase) / decrease in Loans	-	-	-1.48
Increase / (decrease) in Provision	7.85	12.77	-0.09
(Increase) / decrease in Financial Assets	-	-	2.00
Increase / (decrease) in Other Financial Liabilities	-11.84	24.76	-
Increase/ (decrease) in Deferred Tax	-	-	-
Cash generated in operations	452.84	-6.41	353.98
Direct Taxes Paid (Net of Refunds)	-166.87	-53.76	-56.84
Net Cash Flow From Operating Activities	285.97	-60.17	297.14
B. Cash Flows From Investing Activities			
Payment for Purchase of Property, Plant and Equipment	-408.12	-746.51	-17.80
(Increase) / decrease in Loans	-	-	-27.58
Payment for Capital Work in Process	-	23.56	-
Proceeds from sale of Assets	27.78	1.88	-
Purchase of Investment	-1.91	-0.48	-
Finance Income	13.35	7.64	0.39
Net Cash Flow from Investing Activities	-368.90	-713.88	-44.99
C. Cash Flows From Financing Activities			
Increase in General Reserve	-	495.71	-
Increase in Security Premium	-	30.05	-
Repayment & Proceeds of Long-Term Borrowings	-33.61	-232.59	-219.25
Repayment & Proceeds from Short-Term Borrowing	192.97	497.35	56.21
Proceeds from Issuance of Share Capital	-	-14.11	-
Increase in Capital Reserve	-	16.03	-
Increase in Capital Redemption Reserve	-	0.25	-
Increase / (Decrease) in Retained Earning	-	130.49	-
Increase / (Decrease) in OCI	-	5.23	-
Finance Cost	-107.38	-98.06	-87.24
Net Cash Flow from Financing Activities	51.98	830.35	-250.28
D. Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)	-30.96	56.30	1.87
E. Cash & Cash Equivalents at the beginning of the year / period	62.70	6.43	4.56
F. Cash & Cash Equivalents at the end of the year / period	31.75	62.70	6.43
Component of Cash and Cash Equivalents			
Cash on hand	0.73	1.48	0.61
Balances with Scheduled Bank	-	-	-
- On Current Accounts	0.34	60.20	2.26
- Deposits with original maturity of less than three months	30.68	1.02	3.56
Cash and Cash Equivalents at the end of the year / period	31.75	62.70	6.43

Notes:

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

As per our examination report of even date attached
For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

For and on behalf of the Board of Directors
SANSTAR LIMITED

Vijay Jain
Partner
M.No. 420795

Gouthamchand Sohanlal Chowdhary
(Chairman and Managing Director)
(DIN-00196397)

Sambhav Gautam Chowdhary
(Joint Managing Director)
(DIN-01370802)

UDIN: 244207958KB0GJ7117

Harishkumar Shishupaldas Maheshwary
(Chief Financial Officer)

Fagun Harsh Shah
(Company Secretary)

Place: Ahmedabad
Date: 16/05/2024

Place: Ahmedabad
Date: 16/05/2024

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

A. General Information

Sanstar Limited is a Public Company incorporated under Companies Act, 1956 on 26 February 1982. It is classified as Non-govt company and is registered at Registrar of Companies, Ahmedabad20. Sanstar Limited's Corporate Identification Number is (CIN) U15400GJ1982PLC072555. Its Email address is md@sanstar.in and its registered address is "SANSTAR HOUSE" NR. - PARIMAL UNDER BRIDGE, OPP. - SUVIDHA SHOPPING CENTRE, PALDI, AHMEDABAD GJ 380007.

Sanstar is one of the largest corn wet millers in India having a diverse product portfolio of Maize Starches, Tapioca Starches, Modified Starches, Liquid Glucose, Malto Dextrin, High maltose Corn Syrup & many more

Company has 1 Subsidiary Entity. Sanstar Limited has acquired controlling stake of 99.99% stake as Partner's Capital in Expression Commercial LLP vide agreement dated 18.12.2023.

B. Material Accounting policies

I. Basis of Preparation

Statement of compliance:

The Restated Consolidated Financial Information comprise the "Restated Consolidated Statement of Assets and Liabilities" as at March 31, 2024 and "Restated standalone Statement of Assets and Liabilities" as at March 31, 2023, and March 31, 2022; the "Restated Consolidated Statement of Profit and Loss Account" (including Other Comprehensive Income) for the year ended March 31, 2024 and the "Restated Standalone Statement of Profit and Loss Account" for the year(s) ended March 31, 2023 and March 31, 2022; the "Restated Consolidated Statement of Changes in equity" for the year March 31, 2024 and the "Restated Standalone Statement of Changes in equity" for the year March 31, 2023 and March 31, 2022; the "Restated Consolidated Statement of Cash Flows" for the year ended March 31, 2024 and the "Restated Standalone Statement of Cash Flows" for the year ended March 31, 2023 and March 31, 2022; the "Notes to Restated Consolidated Financial Information" for the year ended March 31, 2024 and the "Notes to Restated Standalone Financial Information" for the year ended March 31, 2023 and March 31, 2022,

The restated Consolidated financial statements of the Group have been prepared by the management specifically for the purpose of inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies ("RoC") and Stock Exchanges in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue").

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the 'Act') from time to time;
- b. Paragraph(A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

These Restated Consolidated Financial Information, expressed in Indian Rupees in million, has been prepared by the Company’s Management from:

- (a)** The Audited Consolidated Financial Statements of the Company audited by us as at and for the financial year ended 31 March 2024 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 16, 2024.
- (b)** Audited Standalone Financial Statements of Expression commercial LLP, a subsidiary for the year ended 31 March, 2024 prepared in accordance with the Ind AS, which have been approved by the Designated Partners of the LLP at their meeting held on May 16, 2024. The company has acquired the 99.99 % stake in Expression Commercial LLP vide agreement dated December 18, 2023.
- (c)** The Audited Standalone Financial Statements of the Company audited by us for the year ended March 31, 2023 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 27, 2023. The company has given impact of Composite Scheme of Amalgamation between Sanstar Limited and Sanstar Bio Polymers Limited pursuant to order of NCLT dated November 23, 2023 to give effect of such amalgamation from April 1, 2022.
- (d)** Audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2023 and March 31, 2022, which were prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) including the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been audited and reported by erstwhile Statutory Auditor Kamal M Shah & Co. for the year ended March 31, 2023 and by Nahta Jain & Associates, Chartered Accountants for the years ended on March 31, 2022;
- (e)** The financial information for the year ended March 31, 2023 and March 31, 2022 included in such restated financial information have been prepared by the management by preparing Ind-AS financial statements as at March 31, 2023 wherein Ind-AS transition / restatement adjustments have been made to the financial statements of the Company and prepared in accordance with the Indian accounting standards as notified under Companies Act, 2013.

The Company voluntarily adopted Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred “Ind AS”) for the financial year ended March 31, 2023 with transition date as April 1, 2020 and prepared its first Consolidated financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended March 31, 2024.

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been given.

The restated Consolidated financial information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 (“ICDR Regulations”).

The Company’s presentation and functional currency is Indian Rupees and all values are rounded to the Millions with two decimals.

These Financial Statements have been prepared in accordance with Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules as amended from time to time. The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, and regrouping/reclassifications retrospectively in the years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies.

b) do not require any adjustment for qualifications as there are no qualifications in the underlying auditors’ reports which require any adjustments.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

II. Use of estimates & Judgments

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information.

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies

III. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Millions, with two decimals except as stated otherwise.

IV. Material accounting policies

A. Revenue recognition

Revenue from contract with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

1. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes applicable taxes.

2. Interest income

For all financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

B. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

C. Export Benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustments in raw material consumption.

D. Taxes

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Deferred tax relating to items recognized outside profit or loss is (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

E. Leases

Company as a lessee

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

F. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

1. Long-term employee benefits

Post-employment and other employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

2. Defined contribution plans

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

G. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or

SANSTAR LIMITED**RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS**

recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognized as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Lease hold land	Lease term (99 years)
Buildings	30 to 60 years
Plant and machinery	10 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013 based on Straight Line Method.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

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RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

H. Inventories

Inventories are valued at the lower of cost and net realizable value.

1. **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. **Cost is determined on cost.** Cost is determined based on **First in First Out Method.**
2. **Finished goods and work in progress:** cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. **Cost is determined on lower of cost or net realizable value.** Cost is determined based on **First in First Out Method.**
3. **Stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. **Cost is determined on Cost basis.** An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognized as a part of inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

I. Financial Instruments

- **Financial assets**

- i. **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

- ii. **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Debt instruments at amortized cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Financial assets at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- iii. **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

v. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vi. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

vii. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

SANSTAR LIMITED

RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

- **Financial liabilities**

- i. **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

- ii. **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
 - b. Loans and borrowings
 - c. Financial guarantee contracts

- iii. **Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

- iv. **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

- J. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

K. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services. The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The company operates in one business segment i.e. Corn Wet Milling comprising mainly manufacture of starches, its derivatives and by product as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

L. Provisions, Contingent liabilities, Contingent assets and Commitments**General**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

M. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the company are segregated.

N. Current and non-current classification

The company presents assets and liabilities in the statement of Asset and Liability based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

O. Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

SANSTAR LIMITED**RESTATED CONSOLIDATED MATERIAL ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS****P. Earnings Per Share**

Basic earnings per share is computed and disclosed by dividing the net profit after tax by using the weighted average number of common shares outstanding during the year. Dilutive earning per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Q. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

R. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Millions as per the requirements of Schedule III, unless otherwise stated.

S. Merger :

Pursuant to the Composite Scheme of Amalgamation between Sanstar Limited and Sanstar Bio Polymers Limited (the Company) and their respective shareholders and creditors under section 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("the Scheme" or "Business Reorganization Scheme"). Sanstar Bio Polymers Limited were merged with the SANSTAR LIMITED with effect from the appointed date, April 01, 2022 vide order of NCLT dated 23 November, 2023. The Scheme was sanctioned by the Ahmedabad bench of the Hon'ble National Company Law Tribunal [NCLT] vide its order dated 23 November, 2023 and all the businesses, undertakings, activities, properties, investments and liabilities of the Amalgamating Companies were transferred to and vested in Amalgamated Company as per the Scheme with effect from April 01, 2022, being the appointed date.

T. Acquisition :

Pursuant to the Acquisition of 99% Capital of Expression LLP, Sanstar Limited has acquired 99.99% stake as Partner's Capital in Expression Commercial LLP vide agreement dated 18.12.2023.

Material Accounting Policies

As per my report of even date attached
For M/s S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

For and on behalf of the Board o
of SANSTAR LIMITED

Gouthamchand Sohanlal
Chowdhary
(Chairman & Managing Director)
(DIN:00196397)

Sambhav Gautam Chowdhary
(Joint Managing Director)
(DIN:01370802)

Vijay Jain
Partner
M.No. 420795

Harish Shishupal Das
Maheshwary
Chief Financial Officer

Fagun Harsh Shah
Company Secretary

Place: Ahmedabad
Date: May 16, 2024

Place: Ahmedabad
Date: May 16, 2024

SANSTAR LIMITED
Restated Consolidated Statement of Changes in Equity

A. Equity Share Capital

Particulars	No of Shares	Rs. in Millions
Issued, Subscribed and fully paid up Share Capital		
As at March 31, 2022		
29500000 Equity Shares of ₹ 10/- each*	2,95,00,000	295.00
As at March 31, 2023		
28088850 Equity Shares of ₹ 10/- each*	2,80,88,850	280.89
As at March 31, 2024		
140444250 Equity Shares of ₹ 2/- each*	14,04,44,250	280.89

B. Other Equity
For the year ended March 31, 2024 Rs. in Millions

Particulars	Reserves and Surplus						Net Effects through OCI	Total
	Security Premium	General Reserve	Revaluation Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings		
Balance as at 01/04/2023	79.55	604.29	362.47	16.03	0.25	521.55	6.28	1590.42
Changes in accounting policy or prior period error								
Profit(Loss) for the period	-	-	-	-	-	667.67	-1.36	666.31
Balance as at 31/03/2024	79.55	604.29	362.47	16.03	0.25	1189.22	4.92	2256.73

For the year ended March 31, 2023 Rs. in Millions

Particulars	Reserves and Surplus						Net Effects through OCI	Total
	Security Premium	General Reserve	Revaluation Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings		
Balance as at 01/04/2022	49.50	108.58	362.47	-	-	36.32	0.27	557.14
Changes in accounting policy or prior period error								
Profit(Loss) for the period	-	-	-	-	-	418.05	0.78	541.44
Add: During the year	30.05	-	-	16.03	0.25	-	-	46.33
Add : Transfer to General Reserve	-	495.97	-	-	-	-50.00	-	445.97
Less: Tax Paid on buy Back of Equity shares	-	-	-	-	-	-0.20	-	-0.20
Less: Capital Redemption Reserve	-	-0.25	-	-	-	-	-	-0.25
Balance as at 31/03/2023	79.55	604.29	362.47	16.03	0.25	521.55	6.28	1590.42

For the year ended March 31, 2022 Rs. in Millions

Particulars	Reserves and Surplus						Net Effects through OCI	Total
	Security Premium	General Reserve	Revaluation Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings		
Balance as at 01/04/2021	49.50	58.58	362.47	-	-	-72.89	-	397.66
Changes in accounting policy or prior period error								
Profit(Loss) for the period	-	50.00	-	-	-	159.21	0.27	209.48
Total Comprehensive (Loss) for the year	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-50.00	-	-50.00
Any other changes (to be specified)	-	-	-	-	-	-	-	-
Balance as at 31/03/2022	49.50	108.58	362.47	-	-	36.32	0.27	557.14

*Pursuant to a resolution passed at the general meeting of shareholders dated 28th November 2023, our Company has approved sub-division of 1 (One) Equity Share of face value of Rs.10/- each into 5 (Five) Equity Shares of face value of Rs.2/- each. Accordingly, the Authorised Capital of Rs. 350 Million was subdivided from 3,50,00,000 Shares of face value of Rs. 10/- each to 17,50,00,000 equity shares of face value of Rs. 2/- each. Further the issued, subscribed and paid-up share capital of the Company was subdivided from 2,80,88,850 equity shares of face value of Rs.10 each to 14,04,44,250 equity shares of face value of Rs. 2/- each. The impact of sub-division of shares is retrospectively considered for the computation of earnings share as per the requirement of earnings share as per the requirement/ principles of Ind AS 33, as applicable.

As per our examination report of even date attached
For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

Vijay Jain
Partner
M.No. 420795

UDIN: 24420795BKBOG17117

Place: Ahmedabad
Date: 16/05/2024

For and on behalf of the Board of Directors
SANSTAR LIMITED

Gouthamchand Sohanlal Chowdhary
(Chairman and Managing Director)
(DIN-00196397)

Harishkumar Shishupalda Maheshwary
(Chief Financial Officer)

Place: Ahmedabad
Date: 16/05/2024

Sambhav Gautam Chowdhary
(Joint Managing Director)

Fagun Harsh Shah
(Company Secretary)

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

2. Property, Plant and Equipment

Rs. in Millions									
Description of Assets	Land	Building	Plant and Equipment	Electrical Installation	Vehicles	Computers	Office Equipment	Furniture & Fixture	Total
I. Gross Block									
Balance as at 1st April, 2023	309.99	453.77	1399.09	87.50	31.67	2.26	6.12	6.61	2296.99
Additions during the year	9.06	32.01	166.46	-	1.07	1.44	2.47	-	212.51
Disposals during the year	-	-	-33.23	-	-	-	-	-	-33.23
Balance as at March 31, 2024	319.05	485.77	1532.31	87.50	32.74	3.70	8.60	6.61	2476.27
II. Accumulated depreciation									
Balance as at 1st April, 2023	-	52.03	252.23	27.08	2.29	0.72	2.24	2.96	339.56
Depreciation expense for the year	-	17.71	87.65	8.95	4.07	0.71	1.18	0.64	120.91
Disposals during the year	-	-	-5.45	-	-	-	-	-	-5.45
Balance as at March 31, 2024	-	69.73	334.43	36.03	6.35	1.43	3.42	3.60	455.02
As at March 31, 2024	319.05	416.04	1197.88	51.47	26.38	2.26	5.17	3.01	2021.26

Rs. in Millions									
Description of Assets	Land	Building	Plant and Equipment	Electrical Installation	Vehicles	Computers	Office Equipment	Furniture & Fixture	Total
I. Gross Block									
Balance as at 1st April, 2022	307.49	386.22	713.54	87.50	10.69	0.27	0.85	4.25	1510.79
Addition due to merger	2.51	59.90	338.80	-	3.75	0.76	2.78	1.61	410.11
Additions during the year	-	7.65	351.51	-	19.81	1.23	2.49	0.75	383.43
Disposals during the year	-	-	-4.75	-	-2.57	-	-	-	-7.33
Balance as at March 31, 2023	309.99	453.77	1399.09	87.50	31.67	2.26	6.12	6.61	2297.00
II. Accumulated depreciation									
Balance as at 1st April, 2022	-	28.70	130.35	18.12	0.58	0.12	0.33	1.23	179.43
Addition due to merger	-	5.90	38.89	-	-0.07	0.27	1.01	1.05	47.04
Depreciation expense for the year	-	17.43	87.52	8.96	2.71	0.34	0.90	0.68	118.54
Disposals during the year	-	-	-4.51	-	-0.93	-	-	-	-5.45
Balance as at March 31, 2023	-	52.03	252.23	27.08	2.29	0.72	2.24	2.96	339.56
As at March 31, 2023	309.99	401.74	1146.86	60.42	29.38	1.54	3.88	3.65	1957.45

Rs. in Millions									
Description of Assets	Land	Building	Plant and Equipment	Electrical Installation	Vehicles	Computers	Office Equipment	Furniture & Fixture	Total
I. Gross Block									
Balance as at 1st April, 2021	307.49	380.11	712.68	87.50	0.16	0.10	0.71	4.25	1492.98
Additions during the year	-	6.11	0.85	-	10.53	0.17	0.14	-	17.80
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	307.49	386.22	713.54	87.50	10.69	0.27	0.85	4.25	1510.79
II. Accumulated depreciation									
Balance as at 1st April, 2021	-	14.28	65.04	9.06	0.05	0.06	0.16	0.61	89.26
Depreciation expense for the year	-	14.42	65.31	9.06	0.54	0.06	0.17	0.61	90.17
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	-	28.70	130.35	18.12	0.58	0.12	0.33	1.23	179.43
As at March 31, 2022	307.49	357.51	583.19	69.38	10.10	0.15	0.52	3.02	1331.36

3. Capital Work in Progress (CWIP)

Rs. in Millions			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	204.70	9.09	32.65
Total	204.70	9.09	32.65

CWIP Ageing Schedule

Rs. in Millions					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	204.70	-	-	-	204.70
Total	204.70	-	-	-	204.70

Rs. in Millions					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9.09	-	-	-	9.09
Total	9.09	-	-	-	9.09

Rs. in Millions					
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	32.65	-	-	-	32.65
Total	32.65	-	-	-	32.65

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

4 Investments

Non Current

Investment in Quoted Instruments
Investment in un-quoted instruments

Total Non-current investments

Non Current

Quoted

3400 (PY 3400) ADLINE CHEM LAB LIMITED
220(PY 220) BANK OF BARODA
120 (PY 120) GRAND FOUNDRY LIMITED
100 (PY 100) KRISHANVEER FORGE LIMITED
2500 (PY 2500) GUJARAT LEASE FINANCING LIMITED (FV-10 EACH)
300 (PY 300) RETRO GREEN REVOLUTION LIMITED
900 (PY 900) THE PRAG BOSIMI SYNTHETICS LIMITED

Unquoted

Investment carried at fair value through other comprehensive income

Investment in Shares
130 (P.Y. 130) shares of Sanstar Gems & Jewels Private Limited

Total Non-current investments

Rs. in Millions			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	0.17	0.07	-
	1.45	1.45	-
Total Non-current investments	1.62	1.52	-
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	0.10	0.02	-
	0.06	0.04	-
	0.00	0.00	-
	0.01	0.00	-
	0.00	0.00	-
	0.00	0.00	-
	0.00	0.00	-
	0.00	0.00	-
	0.00	0.00	-
	0.00	0.00	-
	0.17	0.07	-
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	1.45	1.45	-
	1.45	1.45	-
Total Non-current investments	1.62	1.52	-

5 Other financial assets (Non Current)

LIC Fund -Gratuity (Net Balance)
Security deposits
Fixed deposits with maturity of more than 12 months *

* All Fixed Deposits are maintained as Margin Money for Bank Guarantee, Letter of Credits and Overdraft Facilities.

6 Inventories

Raw Material
Work - in - Process
Finished Goods
Stores, Chemicals, Packing, Oil & Fuel Material
Goods in Transit

Rs. in Millions			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	-	5.27	-
	9.98	12.52	1.59
	2.98	2.97	0.10
	12.96	20.76	1.69

Rs. in Millions			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	899.05	105.28	19.28
	7.64	5.81	1.46
	163.22	60.14	36.93
	41.02	26.62	7.90
	29.33	67.46	60.93
	1140.26	265.31	126.50

7 Trade Receivables

Undisputed Trade receivables - Considered good
Less: ECL

Rs. in Millions			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	1179.50	912.46	402.42
	-4.36	-0.42	-0.19
	1175.13	912.04	402.23

Trade Receivables Ageing Schedule

As at March 31, 2024		Outstanding for following periods from Invoice date					Rs. in Millions
Sr No	Particulars	Less than 6 months	6 Months - 1 year	1 Year - 2 year	2-3 Years	More than 3 years	Total
1	Undisputed Trade receivables - Considered good	1164.65	9.78	5.07	-	-	1179.50
2	Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
3	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
4	Disputed Trade receivables - Considered good	-	-	-	-	-	-
5	Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
6	Disputed Trade receivables - credit impaired	-	-	-	-	-	-
	Total	1164.65	9.78	5.07	-	-	1179.50

Trade Receivables Ageing Schedule

As at March 31, 2023		Outstanding for following periods from Invoice date					Rs. in Millions
Sr No	Particulars	Less than 6 months	6 Months - 1 year	1 Year - 2 year	2-3 Years	More than 3 years	Total
1	Undisputed Trade receivables - Considered good	907.31	1.70	3.45	-	-	912.46
2	Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
3	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
4	Disputed Trade receivables - Considered good	-	-	-	-	-	-
5	Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
6	Disputed Trade receivables - credit impaired	-	-	-	-	-	-
	Total	907.31	1.70	3.45	-	-	912.46

Trade Receivables Ageing Schedule

As at March 31, 2022		Outstanding for following periods from Invoice date					Rs. in Millions
Sr No	Particulars	Less than 6 months	6 Months - 1 year	1 Year - 2 year	2-3 Years	More than 3 years	Total
1	Undisputed Trade receivables - Considered good	401.95	0.14	0.33	-	-	402.42
2	Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
3	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
4	Disputed Trade receivables - Considered good	-	-	-	-	-	-
5	Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-
6	Disputed Trade receivables - credit impaired	-	-	-	-	-	-
	Total	401.95	0.14	0.33	-	-	402.42

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

8 Cash and Bank Balances	Rs. in Millions		
	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Cash and Cash Equivalents			
Balances with Banks	0.34	60.20	2.26
Fixed Deposits (Due in 3 months)*	30.68	1.02	3.56
Cash on Hand	0.73	1.48	0.61
	31.75	62.70	6.43
Bank balances other than cash and cash equivalent			
Fixed Deposits (Due with in 1 year) *	19.80	3.76	11.71
	19.80	3.76	11.71
Total Cash and Bank Balances	51.55	66.46	18.14

* All Fixed Deposits are maintained as Margin Money for Bank Guarantee, Letter of Credits and Overdraft Facilities.

9 Other Current Financial assets	Rs. in Millions		
	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
LIC of India Gratuity Fund A/c. (Net Balance)	4.46	3.58	-
Interest Receivable	1.28	0.52	0.09
	5.74	4.10	0.09

10 Other Current Assets	Rs. in Millions		
	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Advances other than capital advances like			
Balances with Government Authorities	537.56	420.38	135.77
Advances to Suppliers	62.33	16.36	24.54
Prepaid Expenses	8.09	4.03	0.66
Advance Recoverable In Cash or Kind	2.39	-	-
Other Current Assets	49.43	-	-
Advances to Staff	0.17	0.42	0.90
Sundry Deposit	2.50	-	-
	662.47	441.19	161.87

11 Share capital	Rs. in Millions		
	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Authorised			
19,00,00,000 Equity Shares of ₹ 2/- each* at 31-03-2024	380.00	350.00	300.00
3,50,00,000 Equity Shares of ₹ 10/- each* at 31-03-2023			
3,00,00,000 Equity Shares of ₹ 10/- each* at 31-03-2022			
	380.00	350.00	300.00
Issued, subscribed and fully paid up share capital			
14,04,44,250 Equity Shares of ₹ 2/- each* at 31-03-2024	280.89	280.89	295.00
2,80,88,850 Equity Shares of ₹ 10/- each* at 31-03-2023			
2,95,00,000 Equity Shares of ₹ 10/- each* at 31-03-2022			
	280.89	280.89	295.00

* Authorised Capital:

Pursuant to a resolution passed at the general meeting of shareholders dated 28th November 2023, Company has approved sub-division of 1 (One) Equity Share of face value of Rs.10/- each into 5 (Five) Equity Shares of face value of Rs.2/- each. Accordingly, the Authorised Capital of Rs. 380 Million was subdivided from 3,80,00,000 Shares of face value of Rs. 10/- each to 19,00,00,000 of Rs. 2/- each. The impact of sub-division of shares is retrospectively considered for the Authorised Capital.

* Issued, Subscribed and fully paid up Share Capital:

Further the issued, subscribed and paid-up share capital of the Company was subdivided from 2,80,88,850 equity shares of face value of Rs.10/- each to 14,04,44,250 equity shares of face value of Rs.2/- each. The impact of sub-division of shares is retrospectively considered for the computation of Issues, subscribed and fully paid up Share Capital and earnings per share as per the requirement/ principles of Ind AS 33, as applicable.

Share capital includes Rs 100.00 millions on account of issue of bonus shares (10.00 millions shares of Rs 10/- each) by capitalisation of revaluation reserve created from revaluation of fixed assets in the FY 2011-12.

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2024	
	No of Shares	Rs. in Millions
At the beginning of the year/ period @ FV of Rs.2 per share	140444250	280.89
Add/(Less) during the year	-	-
Outstanding at the end of the year/ period	140444250	280.89
* see note above		
	As at March 31, 2023	
	No of Shares	Rs. in Millions
At the beginning of the year/ period @ FV of Rs.10 per share	29500000	295.00
Add/(Less) due to Merger	3094000	30.94
Add/(Less) Inter Company adjustments	-4480000	-44.80
Add/(Less) Shares Buyback	-25150	-0.25
Outstanding at the end of the year/ period	28088850	280.89
	As at March 31, 2022	
	No of Shares	Rs. in Millions
At the beginning of the year/ period @ FV of Rs.10 per share	29500000	295.00
Add/(Less) during the year	-	-
Outstanding at the end of the year/ period	29500000	295.00

(b) Details of shareholder(s) holding more than 5% shares in the Company	As at March 31, 2024	
	No. of Shares	% of total shares
GOUTHAMCHAND SOHANLAL CHOWDHARY	15301100	10.89%
SAMBHAV GOUTHAMCHAND CHOWDHARY	32600000	23.21%
SHREYANS GOUTHAMCHAND CHOWDHARY	32465000	23.12%
RANI GOUTHAMCHAND CHOWDHARY	10910000	7.77%
RICHA SAMBHAV CHOWDHARY	10865000	7.74%
SAMIKSHA SHREYANS CHOWDHARY	11000000	7.83%
SAMBHAV STARCH PRODUCTS PVT. LTD.	10546250	7.51%
SANSTAR GEMS & JEWELS PRIVATE LIMITED	10650000	7.58%

Each share of Rs. 2 per share

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

(b) Details of shareholder(s) holding more than 5% shares in the Company	As at March 31, 2023	
	Name of Share Holder	No. of Shares
GOUTHAMCHAND SOHANLAL CHOWDHARY	2060220	7.50%
SAMBHAV GOUTHAMCHAND CHOWDHARY	5220000	19.00%
SHREYANS GOUTHAMCHAND CHOWDHARY	5193000	18.90%
RANI GOUTHAMCHAND CHOWDHARY	2690000	9.79%
RICHA SAMBHAV CHOWDHARY	3104000	11.30%
SAMIKSHA SHREYANS CHOWDHARY	3131000	11.40%
SAMBHAV STARCH PRODUCTS PVT. LTD.	2109250	7.68%
SANSTAR GEMS & JEWELS PRIVATE LIMITED	2130000	7.75%

Each share of Rs. 10 per share

(b) Details of shareholder(s) holding more than 5% shares in the Company	As at March 31, 2022	
	Name of Share Holder	No. of Shares
GOUTHAMCHAND SOHANLAL CHOWDHARY	2008020	6.81%
SAMBHAV GOUTHAMCHAND CHOWDHARY	4970000	16.85%
SHREYANS GOUTHAMCHAND CHOWDHARY	4943000	16.76%
RANI GOUTHAMCHAND CHOWDHARY	2430000	8.24%
RICHA SAMBHAV CHOWDHARY	2854000	9.67%
SAMIKSHA SHREYANS CHOWDHARY	2881000	9.77%
SAMBHAV STARCH PRODUCTS PVT. LTD.	1980000	6.71%
SANSTAR BIOPOLYMERS LIMITED	4480000	15.19%
SANSTAR GEMS & JEWELS PRIVATE LIMITED	1980000	6.71%

Each share of Rs. 10 per share

(c) Shareholding of Promoters as at March 31, 2024	No. of Shares	% of total shares	% Change during the year
GOUTHAMCHAND SOHANLAL CHOWDHARY	15301100	10.89%	48.54%
SAMBHAV GOUTHAMCHAND CHOWDHARY	32600000	23.21%	24.90%
SHREYANS GOUTHAMCHAND CHOWDHARY	32465000	23.12%	25.03%

(c) Shareholding of Promoters as at March 31, 2023	No. of Shares	% of total shares	% Change during the year
GOUTHAMCHAND SOHANLAL CHOWDHARY	2060220	7.50%	2.60%
SAMBHAV GOUTHAMCHAND CHOWDHARY	5220000	19.00%	5.03%
SHREYANS GOUTHAMCHAND CHOWDHARY	5193000	18.90%	5.06%

(c) Shareholding of Promoters as at March 31, 2022	No. of Shares	% of total shares
GOUTHAMCHAND SOHANLAL CHOWDHARY	2008020	6.81%
SAMBHAV GOUTHAMCHAND CHOWDHARY	4970000	16.85%
SHREYANS GOUTHAMCHAND CHOWDHARY	4943000	16.76%

Details of rights, preferences and restrictions attached to the shares

Voting:
The Company has only one class of equity shares having a face value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. (See note above * Issued, Subscribed and fully paid up Share Capital)

Dividend:
The dividend has not been declared during the year by the Company.

Liquidation:
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company does not have any holding Company.

Beneficial Owner:
As per records of the company, including its register of share holders/members and other declaration received from the share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

12 Other Equity

	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Security Premium			
Addition due to merger	79.55	49.50	49.50
Closing Balance	-	30.05	-
	79.55	79.55	49.50
General Reserve			
Opening	604.29	108.58	58.58
Add: Transfer from Profit & Loss A/c	-	50.00	50.00
Add: Due to Merger	-	445.97	-
Less: Capital Redemption Reserve	-	-0.25	-
Closing Balance	604.29	604.29	108.58
Capital Reserve			
Add Acquired Deferred Tax (Opening)	16.03	16.03	-
Less Transfer to Profit and Loss Account	-	-63.31	-
	16.03	16.03	-
Capital Redemption Reserve			
	0.25	0.25	-
Other Comprehensive Income			
Opening OCI	6.28	0.27	-
Add: Due to merger	-	5.23	-
Net Transactions during the year	-1.36	0.78	0.27
Closing OCI	4.92	6.28	0.27
Retained Earnings			
Opening Balance	521.55	36.32	-72.89
Add: due to merger	-	117.38	-
Profit during the year	667.67	418.05	159.21
Less: Transfer to General Reserve	-	-50.00	-50.00
Less: Tax Paid on buy Back of Equity shares	-	-0.20	-
Closing Balance	1189.22	521.55	36.32
Revaluation Reserve			
	362.47	362.47	362.47
Total Equity	2256.73	1590.42	557.14

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

Nature and purpose of reserves

(i) Security Premium

The Security Premium account on the balance sheet represents the excess amount received by a company when issuing shares at a premium over their face value. This premium is a reserve that can be utilized for specific purposes.

(ii) General Reserve

General reserves are created out of profits & kept aside for general purpose and financial strengthening of the company, it doesn't have any special purpose. Further, Company has reclassified INR 261.42 Million as Revaluation Reserves from Opening Balances of General Reserves.

(iii) Other Comprehensive Income

- a) The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive Income.
b) The remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

(iv) Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this retained earnings and also considering the requirements of the Companies Act, 2013. Further, Company has reclassified INR 101.05 Million as Revaluation Reserves.

(v) Revaluation Reserve

Company has reclassified the amount as Revaluation Reserve of INR 362.47 Million from the General Reserve of INR 261.42 Million and Retained Earnings of INR 101.05 Million from their respective opening balances.

(vi) Capital Reserve

Capital reserve is created on recording the scheme of Merger. Capital Reserve is the difference between the amount of investments appearing in SBPL and the value of share capital cancelled in SL. Further Opening balance of Deferred tax of SBPL has been transferred to Capital Reserve.

(vii) Capital Redemption Reserve

Company has buy back 25,150 shares on 19th January, 2023 and accordingly Capital Redemption Reserve is created as per section 69 of the Companies Act, 2013.

13 Borrowings

Non Current

(i) Secured

From Banks

Term Loan from Karur Vysya Bank

Vehicle Loan

(ii) Unsecured

From Others - HDFC Credit Card Loan

Loan From Directors & Relatives

Inter Corporate Deposits

Total Non-current borrowing

	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Term Loan from Karur Vysya Bank	253.28	297.74	221.90
Vehicle Loan	10.12	15.67	4.08
From Others - HDFC Credit Card Loan	0.02	-	-
Loan From Directors & Relatives	-	-	72.07
Inter Corporate Deposits	45.79	29.39	277.35
Total Non-current borrowing	309.20	342.81	575.40

						Rs. in Millions
Lender	Security / Principal term and conditions	Nature of Facility	ROI %	Repayment Terms	Sanctioned Amount as on 31.03.24	
The Karur Vysya Bank Ltd	Paripassu charge (along with other lenders participating in the expansion project) on Industrial Land & Building situated at Village Karvand with extent of 0.56 million square meters and at Village Loukiwith extent of 0.167 million square meters , Taluka Shirpur, District Dhule, Maharashtra stands in the name of SANSTAR LIMITED. Hypothecation charge on the Plant & Machineries which are purchased out of Bank finance.	Machinery Term Loan	9.25%-6 month MCLR	Repayable till 28-02-2025	100.00	
The Karur Vysya Bank Ltd		Real Estate Term Loan	9.25%-6 month MCLR	Repayable till 31-12-2024	585.00	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	Repayable till 30-09-2028	113.60	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	Repayable till 30-09-2028	20.20	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	-	600.00	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	Repayable till 30-09-2028	20.20	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	Repayable till 30-04-2029	50.00	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	Repayable till 18-04-2031	150.00	
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25%-6 month MCLR	Repayable till 30-10-2028	10.00	
The Federal Bank Limited	Paripassu charge (along with other lenders participating in the expansion project) on Industrial Land & Building situated at Village Karvand with extent of 0.56 million square meters and at Village Loukiwith extent of 0.167 million square meters , Taluka Shirpur, District Dhule, Maharashtra stands in the name of SANSTAR LIMITED. Hypothecation charge on the Plant & Machineries which are purchased out of Bank finance.	Machinery Term Loan	9.25% Linked to MCLR	-	750.00	
The Karur Vysya Bank Ltd	The Factory Land & Building situated at Sukhpur Road, Village: Morgar, Post: Sukhpur, Taluka: Bhachau, District: Kutch-Bhuj	Machinery Term Loan	9.25%	Repayable till 02-11-2024	25.41	
The Karur Vysya Bank Ltd		Working Capital Term Loan	9.25% -1 year MCLR	Repayable till 05-10-2024	11.80	
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.25%	48 instalments starting from 07-10-2021 and ending on 07-09-2025	6.20	
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.80%	39 instalments starting from 05-12-2022 and ending on 05-01-2026	6.59	
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	8.75%	39 instalments starting from 07-03-2023 and ending on 07-04-2026	1.51	
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	8.90%	39 instalments starting from 07-03-2023 and ending on 07-04-2026	0.70	
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.62%	Repayable till 10-09-2025	0.74	
Mercedes-Benz Financial India Pvt. Ltd.	Hypothecation of Vehicle	Auto Loan	10.50%	Repayable till 13-12-2026	8.43	
						2460.38

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

Rs. in Millions

Lender	Security / Principal term and conditions	Nature of Facility	ROI %	Repayment Terms	Sanctioned Amount as on 31.03.2023
The Karur Vysya Bank Ltd	Paripassu charge (along with other lenders participating in the expansion project) on Industrial Land & Building situated at Village Karvand with extent of 0.56 million square meters and at Village Loukiwith extent of 0.167 million square meters , Taluka Shirpur, District Dhule, Maharashtra stands in the name of SANSTAR LIMITED. Hypothecation charge on the Plant & Machineries which are purchased out of Bank finance.	Machinery Term Loan	9.25% -6 month MCLR	Repayable till 28-02-2025	100.00
The Karur Vysya Bank Ltd		Real Estate Term Loan	9.25% -6 month MCLR	Repayable till 31-12-2024	585.00
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2023	35.20
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2028	113.60
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2028	20.20
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2028	20.20
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-04-2029	60.00
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 18-04-2031	150.00
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-10-2028	10.00
The Karur Vysya Bank Ltd	The Factory Land & Building situated at Sukhpur Road, Village: Morgar, Post: Sukhpur, Taluka: Bhachau, District: Kutch-Bhuj	Machinery Term Loan	10.20%	Repayable till 02-11-2024	300.00
The Karur Vysya Bank Ltd		Working Capital Term Loan	9.25% -1 year MCLR	Repayable till 05-10-2024	48.00
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.25%	48 instalments starting from 07-10-2021 and ending on 07-09-2025	6.20
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.80%	39 instalments starting from 05-12-2022 and ending on 05-01-2026	6.59
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	8.75%	39 instalments starting from 07-03-2023 and ending on 07-04-2026	1.50
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	8.90%	39 instalments starting from 07-03-2023 and ending on 07-04-2026	0.70
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.62%	Repayable till 10-09-2025	0.74
Mercedes-Benz Financial India Pvt. Ltd.	Hypothecation of Vehicle	Auto Loan	10.50%	Repayable till 13-12-2026	8.43
					1466.36

Rs. in Millions

Lender	Security / Principal term and conditions	Nature of Facility	ROI %	Repayment Terms	Sanctioned Amount as on 31.03.2022
The Karur Vysya Bank Ltd	Paripassu charge (along with other lenders participating in the expansion project) on Industrial Land & Building situated at Village Karvand with extent of 0.56 million square meters and at Village Loukiwith extent of 0.167 million square meters , Taluka Shirpur, District Dhule, Maharashtra stands in the name of SANSTAR LIMITED. Hypothecation charge on the Plant & Machineries which are purchased out of Bank finance.	Machinery Term Loan	9.25% -6 month MCLR	Repayable till 28-02-2025	100.00
The Karur Vysya Bank Ltd		Real Estate Term Loan	9.25% -6 month MCLR	Repayable till 31-12-2024	585.00
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2023	35.20
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2028	113.60
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2028	20.20
The Karur Vysya Bank Ltd		Machinery Term Loan	9.25% -6 month MCLR	Repayable till 30-09-2028	20.20
HDFC Bank Ltd	Hypothecation of Vehicle	Auto Loan	7.25%	48 instalments starting from 07-10-2021 and ending on 07-09-2025	6.20
					880.40

Rs. in Millions

Lender	Nature of Facility	Outstanding as on 31-03-2024	31-03-2024	
			Current	Non Current
The Karur Vysya Bank Ltd	Machinery Term Loan	17.42	17.42	-
The Karur Vysya Bank Ltd	Real Estate Term Loan	78.79	78.79	-
The Karur Vysya Bank Ltd	Machinery Term Loan	85.20	18.93	66.27
The Karur Vysya Bank Ltd	Machinery Term Loan	15.15	3.37	11.78
The Karur Vysya Bank Ltd	Machinery Term Loan	15.08	3.35	11.73
The Karur Vysya Bank Ltd	Machinery Term Loan	41.46	7.90	33.56
The Karur Vysya Bank Ltd	Machinery Term Loan	124.68	-	124.68
The Karur Vysya Bank Ltd	Machinery Term Loan	8.98	1.89	7.09
The Karur Vysya Bank Ltd	Machinery Term Loan	25.41	25.41	-
The Karur Vysya Bank Ltd	Working Capital Term Loan	10.37	10.37	-
HDFC Bank Ltd	Auto Loan	2.54	1.66	0.88
HDFC Bank Ltd	Auto Loan	3.92	2.07	1.85
HDFC Bank Ltd	Auto Loan	1.05	0.46	0.59
HDFC Bank Ltd	Auto Loan	0.49	0.21	0.27
HDFC Bank Ltd	Auto Loan	0.30	0.20	0.10
Mercedes-Benz Financial India Pvt. Ltd.	Auto Loan	7.37	0.95	6.42
TOTAL		438.22	172.99	265.23

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

Rs. in Millions

Lender	Nature of Facility	Outstanding as on 31-03-2023	31-03-2023	
			Current	Non Current
The Karur Vysya Bank Ltd	Machinery Term Loan	34.83	17.42	17.42
The Karur Vysya Bank Ltd	Real Estate Term Loan	183.85	105.06	78.79
The Karur Vysya Bank Ltd	Machinery Term Loan	3.07	3.07	-
The Karur Vysya Bank Ltd	Machinery Term Loan	103.68	18.93	84.74
The Karur Vysya Bank Ltd	Machinery Term Loan	18.06	3.37	14.69
The Karur Vysya Bank Ltd	Machinery Term Loan	17.98	3.35	14.63
The Karur Vysya Bank Ltd	Machinery Term Loan	46.91	5.92	40.99
The Karur Vysya Bank Ltd	Machinery Term Loan	10.46	-	10.46
The Karur Vysya Bank Ltd	Machinery Term Loan	0.19	0.02	0.16
The Karur Vysya Bank Ltd	Machinery Term Loan	59.29	33.88	25.41
The Karur Vysya Bank Ltd	Working Capital Term Loan	26.94	16.50	10.44
HDFC Bank Ltd	Auto Loan	4.08	1.54	2.54
HDFC Bank Ltd	Auto Loan	5.84	1.91	3.92
HDFC Bank Ltd	Auto Loan	1.47	0.42	1.05
HDFC Bank Ltd	Auto Loan	0.68	0.20	0.49
HDFC Bank Ltd	Auto Loan	0.48	0.18	0.30
Mercedes-Benz Financial India Pvt. Ltd.	Auto Loan	8.23	0.86	7.37
TOTAL		526.05	212.64	313.41

Rs. in Millions

Lender	Nature of Facility	Outstanding as on 31-03-2022	31-03-2022	
			Current	Non Current
The Karur Vysya Bank Ltd	Machinery Term Loan	52.25	17.42	34.83
The Karur Vysya Bank Ltd	Machinery Term Loan	288.90	105.06	183.85
The Karur Vysya Bank Ltd	Machinery Term Loan	9.20	6.13	3.07
The Karur Vysya Bank Ltd	Machinery Term Loan	0.00	-	0.00
The Karur Vysya Bank Ltd	Machinery Term Loan	0.08	-	0.08
The Karur Vysya Bank Ltd	Machinery Term Loan	0.08	-	0.08
HDFC Bank Ltd	Auto Loan	5.52	1.44	4.08
TOTAL		356.02	130.04	225.98

Other Major Terms and Conditions w.r.t to Non Current Borrowings

Karur Vysya Bank Ltd

Security

- 1.. Personnel Guarantee of Shri Gouthamchand Chowdhary, Sambhav Chowdhary and Shreyans Chowdhary against all Credit facilities.
2. Primary security for one facility shall be the collateral security for the other facilities

Prepayment

Karur Vysya Bank Ltd: 3% charges of Loan outstanding for Prepayment.

Rate of Interest:

Loan from Directors/Relatives: 12% p.a.

Rs. in Millions

Current	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
a. Loans repayable on demand			
(i) From Banks			
The Karur Vysya Bank Limited	688.78	390.81	143.14
The Kotak Mahindra Bank Limited	-	-	1.52
Citi Bank Limited	70.87	170.74	-
Hasti Co Op Bank Limited	-	-	2.14
Federal Bank Limited	34.52	-	-
(ii) Current maturity of term loans from Bank	172.99	212.64	130.04
Total Current borrowing	967.16	774.19	276.84

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

As at March 31, 2023				Rs. in Millions
Particulars	As on 01.04.2022	Charged/ (Credited) to Profit or Loss/Capital Reserve	Charged/ (Credited) to OCI	As at March 31, 2023
Deferred Tax Liability/(Assets)				
Property, Plant & Equipment	108.11	136.95	-	245.06
ECL	0.06	-1.31	-	-1.24
GIT	2.59	3.48	-	6.07
Gratuity	-1.18	5.52	0.25	4.58
Finance Cost	-	0.46	-	0.46
Equity Shares	-	0.28	0.01	0.30
Sub Total (A)	109.57	145.38	0.26	255.22

* Opening Balances of Acquired deferred tax benefits of Rs. 63.31 Mn of Sanstar Biopolymers Limited have been directly recognised in Capital Reserve and the same has been utilised during the year.

As at March 31, 2022				Rs. in Millions
Particulars	As on 01.04.2021	Charged/ (Credited) to Profit or Loss	Charged/ (Credited) to OCI	As at March 31, 2022
Deferred Tax Liability/(Assets)				
Property, Plant & Equipment	105.76	2.34	-	108.11
ECL	0.05	0.01	-	0.06
GIT	0.90	1.69	-	2.59
Gratuity	-1.01	-0.26	0.09	-1.18
Sub Total (A)	105.70	3.78	0.09	109.57

17 Trade Payables

Particulars	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current			
Total outstanding dues of MSME	6.39	12.82	5.50
Total outstanding dues of creditors other than MSME	953.38	290.00	174.97
	959.78	302.82	180.48

Trade Payables Ageing Schedule

Sr No	Particulars	Rs. in Millions				
		MSME				
	Outstanding for following periods from Bill date of Payment	Upto 1 years	1-2 years	2-3 years	More than 3 years	Total
1	As at March 31, 2024	6.39	-	-	-	6.39
2	As at March 31, 2023	12.82	-	-	-	12.82
3	As at March 31, 2022	5.50	-	-	-	5.50

Sr No	Particulars	Rs. in Millions				
		OTHERS				
	Outstanding for following periods from Bill date of Payment	Upto 1 years	1-2 years	2-3 years	More than 3 years	Total
1	As at March 31, 2024	949.16	4.23	-	-	953.38
2	As at March 31, 2023	279.90	1.66	0.77	7.66	290.00
3	As at March 31, 2022	165.76	1.02	1.36	6.83	174.97

Payable to MSME Suppliers

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars				Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022			
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	6.39	12.82	5.50			
Interest amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil	Nil			
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil			
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil			
The amount of interest accrued and remaining unpaid at the end of each accounting year;	Nil	Nil	Nil			
The amount of further interest remaining due and payable in the succeeding years.	Nil	Nil	Nil			

18 Other Current Liabilities

Particulars	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance Received from Customers	7.08	22.68	1.44
Statutory Liabilities	27.70	38.54	42.91
Other Payables	0.03	0.03	-
	34.81	61.25	44.35

19 Current Tax Assets/Liabilities

Particulars	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current Tax Liabilities			
Provisions for Tax	167.00	51.74	56.84
Less: TDS Receivables and Advance taxes	-79.05	-41.53	-49.27
	87.95	10.21	7.58

Current Tax Assets			
TDS Receivables and Advance taxes	0.00	7.60	0.00
Less: Provisions for Tax	0.00	-2.01	0.00
	0.00	5.59	0.00

	Rs. in Millions		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
20 Revenue from Operations			
Sales of Products			
Domestic Sales	7156.66	8828.71	4962.66
Export Sales	3944.38	3776.73	187.77
	11101.04	12605.44	5150.43
Less:			
Brokerage/commission	13.70	395.05	11.73
Freight	414.63	159.71	94.69
	428.33	554.77	106.41
Total Revenue from Operations	10672.71	12050.67	5044.02
21 Other Income			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Received	13.35	7.64	0.39
Insurance Claim Income	35.88	0.92	0.69
Dividend Income	0.00	-	-
Other Misc. Income	0.02	-	-
Currency Fluctuation	48.20	29.60	2.57
Sundry Balance Written Back	36.51	3.02	-
Profit on sale of Plant and Machinery	10.17	4.82	-
Profit on sale of Shares	-	-	0.00
Total Other income	144.12	46.01	3.65
22 Cost of Material Consumed			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	105.28	79.21	82.15
Add.: Purchases during the year	9123.07	9614.63	3852.36
Less: Inventory at the end of the year	-899.05	-105.28	-19.28
Total Cost of Materials Consumed	8329.30	9588.56	3915.23
23 Purchase of stock in trade			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Trading goods			
Purchases during the year	-	11.61	-
	-	11.61	-
24 Changes in inventory			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock			
(i) Finished Goods	60.14	59.23	35.06
(ii) Stock in Trade	-	5.45	-
(iii) Work-in-Process	5.81	3.15	1.44
(iv) Goods in transit	67.46	90.41	18.38
	133.41	158.25	54.88
Closing Stock			
(i) Finished Goods	163.22	60.14	36.93
(ii) Work-in-Process	7.64	5.81	1.46
(iii) Goods in transit	29.33	67.46	60.93
	200.19	133.41	99.32
Total Change in Inventories	-66.78	24.84	-44.44
25 Employee Benefit Expenses			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	192.82	165.03	81.56
Contribution to Provident Fund and Other Funds	0.07	0.07	-
Staff Welfare Expenses	3.56	4.60	5.50
Gratuity Expenses	0.63	2.25	1.04
Director/Partner Remuneration (Salary)	22.50	21.30	16.65
Total Employee Benefit Expenses	219.58	193.25	104.75
26 Finance Costs			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	94.85	86.77	87.24
Other Borrowing Cost	12.53	11.29	3.62
Total Finance Costs	107.38	98.06	90.85
27 Depreciation and Amortization Expense			
			Rs. in Millions
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Fixed Assets	120.91	118.54	90.17
	120.91	118.54	90.17

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

28 Other Expenses	Rs. in Millions		
	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Expenses			
Repair & Maintenance-Plant & Machinery	13.67	44.60	43.17
Repair & Maintenance-Other	6.58	16.51	35.66
Packing Material Consumed	134.71	129.42	69.49
Chemical Consumed	40.53	27.53	11.06
Power & Fuel Consumed	822.38	1080.13	425.10
Stores & Consumable Consumed	72.47	114.20	43.48
Other Factory Expenses	22.84	25.02	9.08
Electricity Charges	1.13	0.86	-
Selling & Distribution Expenses	-	0.00	0.00
Auditor's Remuneration	1.51	0.33	0.55
Vehicle Expenses	1.42	1.90	0.87
Rent	9.45	6.24	0.10
Rates & Taxes	9.88	3.49	16.41
GST Penalty Expenses	-	-	1.95
Insurance Expenses	9.33	6.42	3.16
Telephone, Internet, Postage, & Courier Expenses	3.36	2.68	0.34
Advertisement Expenses	1.09	0.67	-
CSR	7.30	3.20	3.00
Donation	0.14	0.11	0.03
Travelling & Conveyance Expenses	13.97	9.44	0.12
Administration & Other Misc. Expenses	9.90	18.78	0.23
Stationery & Printing Exp	3.71	2.18	0.32
Professional & Consultancy Charges	19.88	14.03	7.13
Expected Credit Loss	3.95	0.20	0.04
	1209.20	1507.94	671.28
Auditor's Remuneration as per above			
As Statutory Audit	1.05	0.23	0.39
As Tax Audit	0.23	0.05	0.08
As other Consultancy	0.23	0.05	0.08
	1.51	0.33	0.55

29 Tax Expenses

(a) The major components of Income Tax Expenses

	Rs. in Millions		
	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Current income tax:			
Current income tax charge	166.87	53.76	56.84
Deferred tax :			
Charges relating to origination and reversal of temporary differences	62.70	82.07	3.78
Income tax expenses reported in statement of profit and loss	229.57	135.83	60.62

(b) Other Comprehensive Income (OCI) section

	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Deferred tax related to items recognised in OCI during the year			
Deferred Tax on remeasurements of defined benefit plans	0.48	-0.25	0.09
Deferred Tax on Equity Instruments through OCI	-0.03	-0.01	-
Income tax credit / (charged) to OCI	0.46	-0.26	0.09

30 Earning per Share

Particulars	For the year ended	For the year ended	For the year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Net Profit for the period (Amount in Millions.)	667.67	418.05	159.21
Number of equity shares (Weighted Average at the Reporting Date face Value of INR 10 per share) (refer Footnote)	-	28088850	29500000
Number of equity shares (Weighted Average at the Adjusted Face Value of INR 2 per share) (refer Footnote)	140444250	140444250	-
Basic Earning per Share (Rs.) (Rs. 10 per share)	-	14.88	5.40
Diluted Earning Per Share (Rs.) (Rs. 10 per share)	-	14.88	5.40
Basic Earning per Share (Rs.) (Rs. 2 per share)	4.75	2.98	-
Diluted Earning Per Share (Rs.) (Rs. 2 per share)	4.75	2.98	-

Further the issued, subscribed and paid-up share capital of the Company was subdivided from 2,80,88,850 equity shares of face value of Rs.10/- each to 14,04,44,250 equity shares of face value of Rs.2/- each. The impact of sub-division of shares is retrospectively considered for the computation of issues, subscribed and fully paid up Share Capital and earnings per share as per the requirement of earnings per share as per the requirement/ principles of Ind AS 33, as applicable.

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

31 Financial instruments

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

Particulars	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Long-term and Short term borrowing	1276.36	1117.00	852.24
Less: Cash and bank balances	-51.55	-66.46	-18.14
Net debt	1224.81	1050.54	834.10
Total equity	2537.62	1871.31	852.14
Net debt to equity ratio	0.48	0.56	0.98

2 Categories of financial instruments

Particulars	Rs. in Millions					
	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Carrying values	Fair values	Carrying values	Fair values	Carrying values	Fair values
Financial assets						
Measured at FVTOCI						
Investments	0.34	1.62	0.34	1.52	-	-
Measured at amortised cost						
Non-Current assets						
Other financial assets	12.96	12.96	20.76	20.76	1.69	1.69
Current assets						
Trade receivables	1175.13	1175.13	912.04	912.04	402.23	402.23
Cash and cash equivalents	31.75	31.75	62.70	62.70	6.43	6.43
Bank balance other than cash and cash equivalents	19.80	19.80	3.76	3.76	11.71	11.71
Other Financial Assets	5.74	5.74	4.10	4.10	0.09	0.09
Total Financial Assets carried at amortised cost (A)	1245.72	1246.99	1003.71	1004.88	422.16	422.16
Total Financial Assets	1245.72	1246.99	1003.71	1004.88	422.16	422.16
Financial liabilities						
Measured at amortised cost						
Non-current liabilities						
Non-current borrowings	309.20	309.20	342.81	342.81	575.40	575.40
Other financial liabilities	-	-	0.20	0.20	0.50	0.50
Current liabilities						
Short-term borrowings	967.16	967.16	774.19	774.19	276.84	276.84
Trade payables						
a) Total Outstanding due to MSME	6.39	6.39	12.82	12.82	5.50	5.50
b) Total Outstanding due to other than MSME	953.38	953.38	290.00	290.00	174.97	174.97
Other Financial Liabilities	16.06	16.06	27.70	27.70	2.64	2.64
Financial Liabilities measured at amortised cost	2252.19	2252.19	1447.71	1447.71	1035.85	1035.85
Total Financial Liabilities	2252.19	2252.19	1447.71	1447.71	1035.85	1035.85

For financial liabilities (domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.

3 Financial risk management objectives

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

4 Market risk

The risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of:

- (a) Currency risk
- (b) Interest rate risk and
- (c) Commodity risk

SANSTAR LIMITED

Notes to Restated Consolidated Financial Information

(a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Managing Director on the covered and open positions and MTM valuation.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Rs. in Millions		
	As at March 31, 2024		
	USD	EURO	INR
Financial assets			
Total non-current financial assets	-	-	-
Current financial assets			
Trade receivables (Exports)	5.19	-	432.52
Total current financial assets	5.19	-	432.52
Total financial assets	5.19	-	432.52
Financial liabilities			
Current financial liabilities			
Trade payables	7.31	-	609.72
Others	-	-	-
Total current financial liabilities	7.31	-	609.72
Total financial liabilities	7.31	-	609.72
Excess of financial liabilities over financial assets	2.12	-	177.20
Hedge foreign currency risk	5.03	-	423.75
Unhedged foreign currency risk	-	-	-
Sensitivity impact on Net liabilities/(assets) exposure at 10%	0.02	-	1.77

Particulars	Rs. in Millions		
	As at March 31, 2023		
	USD	EURO	INR
Financial assets			
Non-current financial assets			
Advances to supplier	-	-	-
Total non-current financial assets	-	-	-
Current financial assets			
Trade receivables (Exports)	4.96	0.11	414.30
Total current financial assets	4.96	0.11	414.30
Total financial assets	4.96	0.11	414.30
Financial liabilities			
Current financial liabilities			
Trade payables	0.33	0.09	34.96
Others	-	-	-
Total current financial liabilities	0.33	0.09	34.96
Total financial liabilities	0.33	0.09	34.96
Excess of financial Assets over financial Liabilities	4.63	0.02	379.34
Hedge foreign currency risk	7.81	-	643.28
Unhedged foreign currency risk	-	0.02	-
Sensitivity impact on Net liabilities/(assets) exposure at 10%	0.05	0.00	3.79

Particulars	Rs. in Millions		
	As at March 31, 2022		
	USD	EURO	INR
Financial assets			
Non-current financial assets			
Advances to supplier	-	-	-
Total non-current financial assets	-	-	-
Current financial assets			
Trade receivables (Exports)	0.32	-	24.34
Total current financial assets	0.32	-	24.34
Total financial assets	0.32	-	24.34
Financial liabilities			
Current financial liabilities			
Trade payables	0.12	0.06	14.92
Others	-	-	-
Total current financial liabilities	0.12	0.06	14.92
Total financial liabilities	0.12	0.06	14.92
Excess of financial liabilities over financial assets	0.20	-0.06	9.42
Hedge foreign currency risk	0.20	-	-
Unhedged foreign currency risk	0.20	-	-
Sensitivity impact on Net liabilities/(assets) exposure at 10%	0.00	0.00	0.09

Rs. in Millions

The Forward exchange contracts entered into by the Company and outstanding are as under:

As at	Type	USD	INR
As at March 31, 2024	Sell	5.03	423.75
As at March 31, 2023	Sell	7.81	643.28
As at March 31, 2022	Sell	Nil	Nil

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

Foreign currency sensitivity analysis

The Company is materially exposed to USD and EURO currency.

(b) Interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in interest rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like long term and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

Particulars	Rs. in Millions					
	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Fixed Loan	-	NA	-	NA	-	NA
Variable Loan	1276.36	6.38	1117.00	5.58	852.24	4.26
Total	1276.36	6.38	1117.00	5.58	852.24	4.26

(c) Commodity risk

There are no commodity risk involved.

5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the above mentioned company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

6 Liquidity risk management

Liquidity risk is the risk that company will encountered difficulty in meeting in the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial assets. The company's financial planning has ensured that as far as possible there is sufficient liquidity to meet the risk whenever due under both normal and stressed condition without incurring exceptional losses or risking damage to company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Particulars	Rs. in Millions			
	As at March 31, 2024			
	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current				
Investments	-	-	1.62	1.62
Other Financial Assets	-	12.96	-	12.96
Loans				
Total non-current financial assets		12.96	1.62	14.57
Current				
Trade receivables	1160.29	14.85	-	1175.13
Cash and cash equivalents	31.75	-	-	31.75
Bank balance other than cash and cash equivalents	19.80	-	-	19.80
Others	5.74	-	-	5.74
Total current financial assets	1217.57	14.85		1232.42
Total financial assets	1217.57	27.80	1.62	1246.99
Financial liabilities				
Non-current				
Borrowings	-	309.20	-	309.20
Other Financial Liabilities				
Total non-current financial liabilities		309.20		309.20
Current				
Borrowings	967.16	-	-	967.16
Trade payables	955.55	4.23	-	959.78
Other financial liabilities	16.06	-	-	16.06
Total current financial liabilities	1938.77	4.23		1942.99
Total financial liabilities	1938.77	313.43		2252.19

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

Rs. in Millions

Particulars	As at March 31, 2023			
	< 1year	1-5 years	> 5 years	Total
Financial assets				
Non-current				
Investments	-	-	1.52	1.52
Other Financial Assets	-	20.76	-	20.76
Loans				
Total non-current financial assets		20.76	1.52	22.28
Current				
Trade receivables	906.89	5.15	-	912.04
Cash and cash equivalents	62.70	-	-	62.70
Bank balance other than cash and cash equivalents	3.76	-	-	3.76
Others	4.10	-	-	4.10
Total current financial assets	977.45	5.15		982.60
Total financial assets	977.45	25.91	1.52	1004.88
Financial liabilities				
Non-current				
Borrowings	-	342.81	-	342.81
Other Financial Liabilities	-	0.20	-	0.20
Total non-current financial liabilities		343.01		343.01
Current				
Borrowings	774.19	-	-	774.19
Trade payables	292.71	10.10	-	302.81
Other financial liabilities	27.70	-	-	27.70
Total current financial liabilities	1094.60	10.10		1104.70
Total financial liabilities	1094.60	353.11		1447.71

Rs. in Millions

Particulars	As at March 31, 2022			
	< 1year	1-5 years	> 5 years	Total
Financial assets				
Non-current				
Investments	-	-	-	-
Other Financial Assets	-	1.69	-	1.69
Loans				
Total non-current financial assets		1.69		1.69
Current				
Trade receivables	402.23	-	-	402.23
Cash and cash equivalents	6.43	-	-	6.43
Bank balance other than cash and cash equivalents	11.71	-	-	11.71
Others	0.09	-	-	0.09
Total current financial assets	420.46			420.46
Total financial assets	420.46	1.69		422.16
Financial liabilities				
Non-current				
Borrowings	-	575.40	-	575.40
Other Financial Liabilities				
Total non-current financial liabilities		575.40		575.40
Current				
Borrowings	276.84	-	-	276.84
Trade payables	180.47	-	-	180.47
Other financial liabilities	2.64	-	-	2.64
Total current financial liabilities	459.95			459.95
Total financial liabilities	459.95	575.40		1035.35

32 Contingent Liabilities and Capital Commitments

I. Contingent liabilities			Rs. in Millions
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Bank Guarantee issued by the bank in favour of government department	45.54	48.13	21.93
Total	45.54	48.13	21.93

II. Capital Commitments			Rs. in Millions
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Estimated Capital Commitments remaining to be executed on Capital Account and not provided for	432.00	7.43	150.61
Less Advances paid	42.13	0.91	14.81
Total	389.87	6.52	135.80

			Rs. in Millions
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
33 Value of Import on CIF basis			
1) Raw Materials	665.58	-	-
2) Components & Spare Parts	2.18	26.94	10.82
3) Capital Goods	33.56	46.70	-
4) Traded Goods	-	11.34	-

34 Expenditure in foreign currency, remittance in foreign currency and earnings in foreign currency during the year are as under

			Rs. in Millions
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Foreign travelling expenses	3.72	3.43	-
FOB value of export	3788.57	3547.27	168.34

35 Segment Information

The Managing Director of the Company allocate resources and assess the performance of the Company, thus he is the Chief Operating Decision Maker (CODM). The company operates in one business segment i.e. Maize based ingredients comprising mainly manufacture of starches, its derivatives and by product as single operating segment for the purpose of making decision on allocation of resources and assessing its performance. These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

36 Significant Event after Reporting Period

There is no significant events after reporting period.

37 In the opinion of Board of Directors

(a) Current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated.

38 Balance of Trade receivables, Trade payables, loans and advances are subject to confirmation from the respective parties.

39 The figures pertaining to previous periods have been regrouped and restated wherever necessary, to make them comparable.

40 Merger

Pursuant to the Composite Scheme of Amalgamation and Arrangement between Sanstar Bio Polymers Limited (the Transferor Company) Sanstar Limited (the Transferee Company), Transferor Company and Transferee Company with effect from the appointed date, April 01, 2022 and immediately upon effectiveness of the same SANSTAR LIMITED AND SANSTAR BIOPOLYMERS LIMITED (Amalgamating Companies) were merged into the Company pursuant to the Scheme with effect from the appointed date, April 01, 2022. The Scheme was sanctioned by the Ahmedabad bench of the Hon'ble National Company Law Tribunal [NCLT] vide its order dated 23rd November, 2023 and all the businesses, undertakings, activities, properties, investments and liabilities of each of the Amalgamating Companies were transferred to and vested in the Company as per the Scheme with effect from April 01, 2022, being the appointed date.

Accordingly we have taken the opening balances of SBPL as addition during the year.

41 Significant stake in LLP

Sanstar Limited has acquired controlling stake of 99.99% stake as Partner's Capital in Expression Commercial LLP vide agreement dated 18.12.2023.

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

42

Ind As 115 : Revenue from Contracts with Customers:

The disaggregation of Revenue from Contract with Customers – Segment-wise

Particulars	Rs. in Millions		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales in Domestic Market	7156.66	8828.71	4962.66
Sales in International Market	3944.38	3776.73	187.77
Total Revenue	11101.04	12605.44	5150.43

A) Disaggregated revenue information

Set out below is the disaggregation of the company's revenue from contracts with customers:

Segment	Rs. in Millions		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
India	7156.66	8828.71	4962.66
Outside India	3944.38	3776.73	187.77
Total revenue from contracts with customers	11101.04	12605.44	5150.43
Timing of revenue recognition			
Goods provided at a point in time	11101.04	12605.44	5150.43
Total revenue from contracts with customers	11101.04	12605.44	5150.43

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	Rs. in Millions		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
External customer	11101.04	12605.44	5150.43
Inter-segment	-	-	-
Inter-segments adjustment and elimination	-	-	-
Total revenue from contracts with customers	11101.04	12605.44	5150.43

B) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

Particulars	Rs. in Millions		
	As at March 31, 2024	As at March 31, 2023	For the year ended March 31, 2022
Trade receivables*	1175.13	912.04	402.23
Contract liabilities	-	-	-
Advances from customers	7.08	22.68	1.44

*Trade receivables are non-interest bearing and are generally on terms of 0 to 45 days.

C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Rs. in Millions		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contracted price			
Sale of Goods and Services	11101.04	12605.44	5150.43
Less			
Brokerage	-13.70	-395.05	-11.73
Freight	-414.63	-159.71	-94.69
Revenue from contract with customers	10672.71	12050.67	5044.02

* Revenue net of discounts, claims and commission

D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Rs. in Millions		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Advances from customers	7.08	22.68	1.44
	7.08	22.68	1.44

43 Figures have been presented in 'Millions' of rupees with two decimals.

44 **Other statutory information:-**

- 1 Details of Benami Property: The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 Details of Charges: The Company does not have any charges created or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 3 Details of crypto currency or virtual currency : The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 4 Utilization of borrowed funds and share premium:
The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficial.
- 5 Undisclosed Income: The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 6 Wilful Defaulter: The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 7 Compliance with number of layers of Companies: The Company has complied with the number of layers prescribed under clause(87) of the Companies Act,2013 read with Companies (Restrictions on number of Layers) Rules, 2017.
- 8 Valuation of Property Plant & Equipment, Intangible asset and Investment Property : The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- 9 Sanstar Limited has filed a Scheme of Arrangement dated 23rd February 2023 for the amalgamation of Sanstar Bio Polymers Limited before NCLT. NCLT thoroughly reviewed and approved the merger scheme on 23/11/2023 with effect from 01/04/2022.
- 10 Company has not given any loan and guarantees during the year and in previous year hence disclosure under section 186(4) of the companies Act 2013.

45 **Expenditure on corporate social responsibility activities**
Merged

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Amount required to be spent by the company during the year	6.25	2.63	1.23
II. Amount spent by the company during the year on:			
a) Construction/acquisition of any assets			
b) For purpose other than (a) above	7.30	3.20	3.00
III. Excess/Shortfall at the end of the year	-1.05	-.57	-1.77
IV. Total of previous year shortfall			

SANSTAR LIMITED

Restated Consolidated Notes to Financial Statement as at March 31, 2024

46 As required by IND AS 24 "Related Parties Disclosures" issued by The Institute of Chartered Accountants of India, the details are as follows:-

I Name of the related parties as identified by the management with whom transactions were taken place

(A) Key Management personnel

Sr. No.	Name of the Related Party	Nature of Relationship	Remarks
(i)	Gouthamchand Sohanlal Chowdhary	Chairman and Managing Director	
(ii)	Sambhav Gautam Chowdhary	Joint Managing Director / Partner in Expression Commercial LLP	
(iii)	Shreyans Gautam Chowdhary	Joint Managing Director	
(iv)	Harishkumar Shishupalda Maheshwary	Chief Financial Officer	
(v)	Fagun Harsh Shah	Company Secretary	
(vi)	Kuldeep Ashokbhai Shah	Independent Director	Resigned on 01/11/2023
(vii)	Sourabh Vijay Patawari	Independent Director	Resigned on 01/11/2023
(viii)	Samiksha Shreyans Chowdhary	Additional Director	Resigned on 01/11/2023
(ix)	Aniket Sunil Talati	Independent Director	Appointed on 01/11/2023
(x)	Atul Agarwal	Independent Director	Appointed on 01/11/2023
(xi)	Sejal Ronak Agrawal	Independent Director	Appointed on 01/11/2023

(B) Relatives of Directors

Expression details to be added

Sr. No.	Name of the Related Party	Nature of Relationship
(i)	Rani Gouthamchand Chowdhary	Wife of Gouthamchand Chowdhary
(ii)	Richa Sambhav Chowdhary	Wife of Sambhav Chowdhary
(iii)	Arhant Sambhav Chowdhary	Son of Sambhav Chowdhary
(iv)	Arishth Shreyans Chowdhary	Son of Shreyans Chowdhary

(C) Concerns in which Director & Relatives are Interested

Sr. No.	Name of the Related Party	Nature of Relationship
(i)	Sambhav Starch Products Private Limited	Group Company
(ii)	Sanstar Gems & Jewels Private Limited	Group Company
(iii)	Artex Vinimay LLP	Group Concern
(iv)	S Gouthamchand Chowdhary (HUF)	Group Concern
(v)	Chowdhary Sambhav Gautam (HUF)	Group Concern
(vi)	Shreyans Gautam Chowdhary HUF	Group Concern
(vii)	Ranidevi Gouthamchand Chowdhary Charitable Trust	Group Concern
(viii)	Expression Commercial LLP	Wholly Owned Subsidiary

II Transactions carried out with related parties referred to in (I) above, in ordinary course of Business:

	For the year ended March 31, 2024 Rs. in Millions	For the year ended March 31, 2023 Rs. in Millions	For the year ended March 31, 2022 Rs. in Millions
Sale :			
Artex Vinimay LLP	-	8.52	-
Sanstar Biopolymers Limited	-	-	9.61
Sambhav Starch Products Private Limited	-	-	-
Expression Commercial LLP	12.29	313.83	1926.77
	12.29	322.35	1936.38
Job Work Service			
Expression Commercial LLP	8.76	-	-
	8.76	-	-
Interest Income From :			
Sambhav Starch Products Private Limited	-	4.22	-
	-	4.22	-
Purchase of Raw Material			
Artex Vinimay LLP	-	198.81	82.45
Sanstar Biopolymers Limited	-	-	455.65
Expression Commercial LLP	45.79	278.31	-
	45.79	477.12	538.10
Purchase of Equipment			
Gouthamchand Sohanlal chowdhary	0.36	-	-
Shreyans Gautam Chowdhary	0.35	-	-
Sanstar Biopolymers Limited	-	-	-
	0.71	-	-

SANSTAR LIMITED
Restated Consolidated Notes to Financial Statement as at March 31, 2024

	For the year ended March 31, 2024 Rs. in Millions	For the year ended March 31, 2023 Rs. in Millions	For the year ended March 31, 2022 Rs. in Millions
Commission Paid to:			
Sambhav Starch Products Private Limited	-	9.00	-
Artex Vinimay LLP	0.08	-	-
	0.08	9.00	-
Salary Paid to:			
Samiksha Shreyans Chowdhary	4.90	3.25	2.40
Richa Sambhav Chowdhary	4.90	3.40	2.40
Rani Gouthamchand Chowdhary	4.90	3.05	2.40
Gouthamchand Sohanlal Chowdhary	7.50	7.10	5.55
Sambhav Gautam Chowdhary	7.50	7.10	5.55
Shreyans Gautam Chowdhary	7.50	7.10	5.55
Harishkumar Shishupaldas Maheshwary	1.69	1.31	-
Fagun Harsh Shah	0.51	0.44	0.32
	39.40	32.74	24.17
Sitting Fees paid:			
Kuldeep Ashokbhai Shah	0.09	0.04	-
Sourabh Vijay Patawari	0.05	0.04	-
	0.14	0.08	-
Interest paid to:			
Gouthamchand Sohanlal Chowdhary	-	0.38	0.36
Sambhav Gautam Chowdhary	-	1.23	1.55
Shreyans Gautam Chowdhary	-	0.47	0.34
Rani Gouthamchand Chowdhary	-	1.73	1.50
Richa Sambhav Chowdhary	-	1.84	0.71
Samiksha Shreyans Chowdhary	-	0.47	-
S Gauthamchand Chowdhary (HUF)	-	0.46	1.17
Chowdhary Sambhav Gautam (HUF)	-	0.35	0.61
Shreyans Gautam Chowdhary HUF	-	0.15	0.32
Sanstar Biopolymers Limited	-	-	27.60
Sanstar Gems & Jewels Private Limited	0.26	0.32	0.30
Sambhav Starch Products Private Limited	3.36	0.65	-
Arhant Sambhav Chowdhary	-	0.04	0.07
Arishth Shreyans Chowdhary	-	0.04	0.07
	3.62	8.12	34.61
CSR Given to :			
Ranidevi Gouthamchand Chowdhary Charitable Trust	0.30	3.20	3.00
	0.30	3.20	3.00
Rent Paid To :			
Sambhav Starch Products Private Limited	9.08	6.00	-
	9.08	6.00	-
Loan Given To :			
Sambhav Starch Products Private Limited	-	29.68	-
	-	29.68	-
Sale of Plant & Machinery			
Sambhav Starch Products Private Limited	22.00	-	-
	22.00	-	-
Receipt of Loans from:			
Gouthamchand Sohanlal Chowdhary	-	0.34	5.85
S Gauthamchand Chowdhary (HUF)	-	0.41	-
Sambhav Gautam Chowdhary	-	1.20	6.08
Shreyans Gautam Chowdhary	-	1.02	6.18
Rani Gouthamchand Chowdhary	-	1.86	1.30
Richa Sambhav Chowdhary	-	33.85	1.70
Samiksha Shreyans Chowdhary	-	0.52	2.30
Shreyans Gautam Chowdhary HUF	-	0.13	-
Chowdhary Sambhav Gautam (HUF)	-	0.31	-
Arhant Sambhav Chowdhary	-	0.04	-
Arishth Shreyans Chowdhary	-	0.04	-
Sanstar Gems & Jewels Private Limited	65.72	1.29	0.55
Sambhav Starch Products Private Limited	-	176.58	-
Sanstar Biopolymers Limited	-	-	370.37
	65.72	217.61	394.32

SANSTAR LIMITED
Restated Consolidated Notes to Financial Statement as at March 31, 2024

	For the year ended March 31, 2024 Rs. in Millions	For the year ended March 31, 2023 Rs. in Millions	For the year ended March 31, 2022 Rs. in Millions
Repayment of Loans to:			
Gouthamchand Sohanlal Chowdhary	-	7.17	0.01
Sambhav Gautam Chowdhary	-	19.06	0.65
Shreyans Gautam Chowdhary	-	7.61	1.35
Rani Gouthamchand Chowdhary	-	14.11	8.92
Richa Sambhav Chowdhary	-	42.13	0.35
Samiksha Shreyans Chowdhary	-	2.82	-
S Gauthamchand Chowdhary (HUF)	-	8.66	6.05
Chowdhary Sambhav Gautam (HUF)	-	5.79	0.21
Shreyans Gautam Chowdhary HUF	-	3.05	-
Arhant Sambhav Chowdhary	-	0.70	-
Arishth Shreyans Chowdhary	-	0.70	-
Sanstar Biopolymers Limited	-	-	503.15
Sambhav Starch Products Private Limited	50.61	229.19	-
Sanstar Gems & Jewels Private Limited	1.97	0.40	1.05
	52.58	341.40	521.73
Outstanding Balance of Loans Taken :			
Gouthamchand Sohanlal Chowdhary	-	-	6.83
Sambhav Gautam Chowdhary	-	-	17.86
Shreyans Gautam Chowdhary	-	-	6.59
Rani Gouthamchand Chowdhary	-	-	12.25
Richa Sambhav Chowdhary	-	-	8.28
Samiksha Shreyans Chowdhary	-	-	2.30
S Gauthamchand Chowdhary (HUF)	-	-	8.25
Chowdhary Sambhav Gautam (HUF)	-	-	5.47
Shreyans Gautam Chowdhary HUF	-	-	2.92
Sanstar Biopolymers Limited	-	-	274.84
Sambhav Starch Products Private Limited	44.13	26.00	-
Sanstar Gems & Jewels Private Limited	1.66	3.39	2.51
Arhant Sambhav Chowdhary	-	-	0.67
Arishth Shreyans Chowdhary	-	-	0.67
	45.79	29.39	349.42
Outstanding Receivable From			
Sanstar Biopolymers Limited	-	-	0.08
Total	-	-	0.08

SANSTAR LIMITED

Notes to Restated Consolidated Financial Information

47 Assets Mortgage/Hypothecated as security

The carrying amount of assets mortgage as security for current and non-current borrowings are:

Rs. in Millions

Assets description	31.03.2024	31.03.2023	31.03.2022
I. Current Financial Assets			
<i>First and / or Second charge</i>			
Trade receivables	1175.13	912.04	402.23
Cash and Bank Balances	51.55	66.46	18.14
Other financial assets	5.74	4.10	0.09
II. Current Assets			
Inventories	1140.26	265.31	126.50
Other Current Assets	662.47	441.19	161.87
Current Tax Assets		5.59	
Total current assets Hypothecated/Mortgage as security	3035.15	1694.67	708.83
III Property, Plant and Equipment			
<i>First and / or Second charge</i>			
Land and Building	319.05	309.99	307.49
Building	416.04	401.74	357.51
Plant and Equipment	1197.88	1146.86	583.19
Electrical Installation	51.47	60.42	69.38
Vehicles	26.38	29.38	10.10
Computers	2.26	1.54	0.15
Office Equipment	5.17	3.88	0.52
Furniture & Fixture	3.01	3.65	3.02
CWIP	204.70	9.09	32.65
IV. Capital work in progress			
V. Non Current Financial Assets			
Investments	1.62	1.52	-
Other Financial Assets/Non Current Assets	12.96	20.76	1.69
Total non-current assets Hypothecated/Mortgage as security	2240.53	1988.83	1365.71
Total Assets Hypothecated/Mortgage as security	5275.68	3683.50	2074.54

As per our examination report of even date attached
For S C Bapna & Associates
Chartered Accountants
Firm Regn. No. 115649W

Vijay Jain
Partner
M.No. 420795

UDIN: 24420795BKBOGJ7117

Place: Ahmedabad
Date: 16/05/2024

For and on behalf of the Board of Directors of
SANSTAR LIMITED

Gouthamchand Sohanlal Chowdhary
(Chairman and Managing Director)
(DIN-00196397)

Sambhav Gautam Chowdhary
(Joint Managing Director)
(DIN-01370802)

Harishkumar Shishupaldas Maheshwary
(Chief Financial Officer)

Fagun Harsh Shah
(Company Secretary)

Place: Ahmedabad
Date: 16/05/2024

SANSTAR LIMITED
Notes to Restated Consolidated Financial Information

48 Ratio Analysis

Ratios are attached herewith

Sr. No.	Ratio	As at March 31, 2024	As at March 31, 2023	Variance % (31 March 2023 and 31 March 2024)	Reason for variance
1	Current Ratio	1.44	1.40	3%	N.A.
2	Debt Equity Ratio	0.50	0.60	-16%	N.A.
3	Debt Service Coverage Ratio	4.33	0.76	471%	Due to Decrease in Debt
4	Return on Equity %	30.70%	27.71%	11%	N.A.
5	Inventory Turnover Ratio	11.76	36.68	-68%	Due to Increase in Average Inventory
6	Trader Receivable Turnover Ratio	7.92	11.91	-34%	Due to Decrease in Average Debtors
7	Trade Payable Turnover Ratio	14.27	39.84	-64%	Due to Decrease in Average Payables
8	Net Capital Turnover Ratio	15.19	36.86	-59%	Due to Increase in Working Capital
9	Net Profit %	6.17%	3.46%	79%	Due to Increase in Profit
10	Return on Capital Employed	25.31%	23.67%	7%	N.A.
11	Return on Investment	NA	NA		N.A.

Sr. No.	Ratio	As at March 31, 2023	As at March 31, 2022	Variance % (31 March 2022 and 31st March 2023)	Reason for variance
1	Current Ratio	1.40	1.32	6%	N.A.
2	Debt Equity Ratio	0.60	1.00	-40%	Due to increase Share Holder Fund
3	Debt Service Coverage Ratio	0.76	1.27	-40%	Due to increase in profit
3	Return on Equity %	27.71%	18.68%	48%	Due to increase in sales
4	Inventory Turnover Ratio	36.68	28.38	29%	due to inventory increase
5	Trader Receivable Turnover Ratio	11.91	16.51	-28%	Due to Decrease in Average Debtors
6	Trade Payable Turnover Ratio	39.84	29.45	35%	due to trade payable decrease
7	Net Capital Turnover Ratio	36.86	21.55	71%	Due to increase sales & Working Capital
8	Net Profit %	3.46%	3.15%	10%	N.A.
9	Return on Capital Employed	23.67%	18.21%	30%	Due to increase in sales
10	Return on Investment	NA	NA	NA	N.A.

Reconciliation of Net Profit after Tax as per Audited INDAS Financial Statements and Net Profit after Tax as per Restated Financial Statements.			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net Profit as per Audited Financial Statements- INDAS	666.31	418.83	159.48
Adjustments:			
Employee Benefits	-	-	-
EIR	-	-	-
ECL	-	-	-
Deferred tax on Ind-AS adjustment	-	-	-
Goods In Transit	-	-	-
Tax Prior Period Expenses	-	-	-
Total effect of Restatements	-	-	-
Net Profit after Tax as per Restated Financial Statements	666.31	418.83	159.48

Reconciliation of Total Equity between Audited Equity and Restated Equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total equity under Audited INDAS Financial Statements	2537.62	1871.31	852.14
Employee Benefits	-	-	-
EIR	-	-	-
ECL	-	-	-
Deferred tax on Ind-AS adjustment	-	-	-
Goods In Transit	-	-	-
Tax Prior Period Expenses	-	-	-
Total adjustment to Restatements	-	-	-
Total equity as per Restated Financial Statements	2537.62	1871.31	852.14

Reconciliation of Net Profit as per IGAAP and INDAS.		
Particulars	As at March, 31 2023	As at March, 31 2022
Total equity (shareholders' funds) under previous GAAP	408.98	163.51
Provisions (Gratuity)	-2.25	-1.04
Borrowings (EIR)	1.83	-
Trade Receivables (ECL)	-0.20	-0.04
Trade Receivables (Bad Debts)	1.10	0.12
Deferred tax	-3.46	-1.44
Trade Receivables (Good in Transit)	30.27	-45.70
Inventories (Goods In Transit)	-22.95	42.55
Current Tax Assets (Tax Prior Period Expenses)	2.54	-2.54
Provisions (Gratuity Restated)	1.18	3.78
Depreciation on Capital Reserve (Reversal)	1.00	-
Total adjustment to equity	418.05	159.21
OCI Employee Benefit	0.99	0.36
OCI Equity Instrument	0.06	-
OCI Deferred Tax Employee Benefit	-0.25	-0.09
OCI Deferred Tax Equity Instrument	-0.01	-
OCI Net Effect	0.78	0.27
TOTAL NET PROFIT UNDER INDAS	418.83	159.48
Total equity under Ind AS/ Restated	418.83	159.48

Reconciliation of Total Equity between IGAAP and INDAS		
Particulars	As at March, 31 2023	As at March, 31 2022
Total equity (shareholders' funds) under previous GAAP	1,879.35	863.98
Cumulative Opening Indas Adjustments	-11.84	-7.81
Cumulative Opening Indas Adjustments of Sanstar Biopolymers Private Limited	-6.06	-
Provisions (Gratuity)	-2.25	-1.04
Borrowings (EIR)	1.83	-
Trade Receivables (ECL)	-0.20	-0.04
Trade Receivables (Bad Debts)	1.10	0.12
Deferred tax	-3.46	-1.44
Trade Receivables (Good in Transit)	30.27	-45.70
Inventories (Goods In Transit)	-22.95	42.55
Current Tax Assets (Tax Prior Period Expenses)	2.54	-2.54
Provisions (Gratuity Restated)	1.18	3.78
Depreciation on Capital Reserve (Reversal)	1.00	-
Total adjustment to equity	-8.82	-12.11
OCI Employee Benefit	0.99	0.36
OCI Equity Instrument	0.06	-
OCI Deferred Tax Employee Benefit	-0.25	-0.09
OCI Deferred Tax Equity Instrument	-0.01	-
OCI Net Effect	0.78	0.27
TOTAL	-8.04	-11.84
Total equity under Ind AS/ Restated	1,871.31	852.14

RESTATED STATEMENT OF CAPITALISATION

The following table sets forth our Company's capitalisation as at Fiscal 2024, derived from our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with "Restated Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Position and Results of Operations", beginning on pages 305 and 357 of this Red Herring Prospectus.

	(₹ in million)	
Particulars	Pre-Offer as at March 31, 2024	Adjusted for Proposed Offer*
Total Borrowings		
Current Borrowings (including current maturities of non-current borrowings) (A)	967.16	[●]
Non-current Borrowings (B)	309.20	[●]
Total Borrowings (C) = (A)+(B)	1,276.36	[●]
Total Equity		
Equity Share Capital (D)	280.89	[●]
Reserve and Surplus* (E)	1,878.23	[●]
Total Equity (F)= (D)+(E)	2,159.12	[●]
Total Borrowings/ Total Equity (C)/(F)	0.59	[●]
Non-Current Borrowing/Total Equity (B)/(F)	0.14	[●]

*Excluding Revaluation Reserve and Capital Reserve

Notes:

The corresponding post-Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for the Fiscals ended March 31, 2024, 2023 and 2022, together with all the annexures, schedules and notes thereto (“**Audited Financial Statements**”) are available at www.sanstar.in. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) this Red Herring Prospectus (ii) the Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider for subscription to or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

<i>(₹ in million except per share data or unless otherwise stated)</i>			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	10,672.71	12,050.67	5,044.02
Other Income	144.12	46.01	3.65
Total equity (A) ¹⁰	2,159.12	1,492.81	489.67
Restated profit for the period / year (B) ¹	667.67	418.05	159.21
Return on Net worth (C) = (B / A) (%)²	30.92	28.00	32.51
Restated profit for the period / year (D) ¹	667.67	418.05	159.21
Weighted average number of equity shares for Basic EPS (E), post sub-division of equity shares of our Company ^{(3)/(9)}	28,088,850	28,088,850	29,500,000
Weighted average number of equity shares for Diluted EPS, post sub-division of equity shares of our Company (F) ^{(3)/(9)}	140,444,250	140,444,250	147,500,000
Basic Earnings Per Share (EPS) (G)= (D / E) ⁴	23.77	14.88	5.40
Diluted Earnings Per Share (EPS) (H)= (D / F) ⁵	4.75	2.98	1.08
Total equity (I) ¹⁰	2,159.12	1,492.81	489.67
Number of Equity Shares outstanding at the end of the period / year, post sub-division of equity shares of our Company (J) ^{(3)/(9)}	140,444,250	140,444,250	147,500,000
Net Assets Value (NAV) per Share (I / J) ⁶	15.37	10.64	3.32
EBITDA ⁷	981.41	724.47	397.20
EBITDA Margin (%)⁸	9.20	6.01	7.87

The ratios have been computed as under:

1. Restated Profit for the year / period does not include other comprehensive income;
2. Return on Net Worth (%) = Net Profit after tax, as restated for the end of the year / period divided by Net worth as at the end of the year / period;
3. Pursuant to a resolution passed at the general meeting of shareholders dated November 28, 2023, our Company has approved sub-division of 1 (one) Equity Share of face value of ₹ 10/- each into 5 (Five) Equity Shares of face value of ₹ 2/- each. The impact of such sub-division of shares has been retrospectively considered for the computation of earnings per share, as per the requirement / principles of Ind AS 33, as applicable.

4. *Basic EPS (₹) = Basic earnings per share is calculated by dividing the Restated Consolidated Profit for the year / period divided by the weighted average number of Equity Shares outstanding during the year / period, after considering the impact of sub-division of equity shares, for all periods presented;*
5. *Diluted EPS (₹) = Diluted earnings per share is calculated by dividing the Restated Consolidated Profit for the year / period divided by the weighted average number of equity Shares outstanding during the year / period as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year / period, if any and after considering the impact of sub-division of equity shares, for all periods presented;*
6. *Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year / period. (as adjusted for change in capital due to issue of Equity Shares by way of bonus);*
7. *EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;*
8. *EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;*
9. *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued / bought back during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year;*
10. *“Total Equity”/“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.*

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

We have included in this section a discussion of our financial statements on a Restated Consolidated basis. You should read the following discussion in conjunction with our Restated Consolidated Financial Statements for Fiscals ended March 31, 2024, 2023 and 2022, including the related notes, schedules and annexures in "Restated Consolidated Financial Statements" on pages 305.

Our Restated Consolidated Financial Statement have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. Our Restated Consolidated Financial Information has been compiled by the Company from the audited consolidated financial statements of the Company for the respective years. For further information, please see the "Financial Information - Restated Consolidated Financial Information" on page 305.

*Pursuant to the Scheme of Amalgamation entered into between our Company and Sanstar Biopolymers Limited ("**Transferor Company**") under Section 232 of the Companies Act, 2013 and approved vide order dated November 23, 2023 passed by NCLT, Ahmedabad, Sanstar Bio Polymers Limited was merged with our Company with effect from November 23, 2023. Also, our Company has made capital contribution in ECL aggregating to the ratio of 99.99% vide Supplementary Agreement dated December 18, 2023 read with Limited Liability Partnership Agreement dated January 21, 2019. Accordingly, to give effect of the above composite scheme of amalgamation from April 1, 2022 and acquisition of ECL, financial statements / information for Fiscal 2024 and Fiscal 2023 are prepared on a consolidates basis, as applicable, whereas financial statements / information for Fiscal 2022 is on standalone basis.*

Industry and market data used in this section have been extracted from the Frost & Sullivan Report dated May 18, 2024. For further details and risks in relation to the Frost & Sullivan Report, see "Risk Factors – Certain sections of this Red Herring Prospectus contain information from the report on our industry titled "This Red Herring Prospectus contains information from an industry report which we have paid for and commissioned from Frost & Sullivan, appointed by our Company exclusively for the purpose of the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 61 and "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 18.

We have included various operational and financial performance indicators in this Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our Restated Consolidated Financial Information and other information relating to our business and operations included in this Red Herring Prospectus

To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview", and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 34, 144 and 357, respectively, as well as the financial, statistical and other information contained in this Red Herring Prospectus. For KPIs that have bearing on the basis for the Offer Price and which have been previously shared with investors in the three year period preceding the date of this Red Herring Prospectus, please see "Basis for Offer Price" on page 128.

Our Fiscal Year ends on March 31 of each year. Accordingly, all references to a particular Fiscal Year or Fiscal are to the 12 months ended March 31 of that year.

Overview

We are one of the major manufacturers of plant based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications (*Source: Company Commissioned Frost & Sullivan Report, dated May 18, 2024*). Our products include liquid glucose, dried glucose solids, maltodextrin powder, dextrose monohydrate, native maize starches, modified maize starches and co-products like germs, gluten, fiber and enriched protein, amongst others. Our speciality products and ingredients solutions add taste, texture, nutrients and increased functionality to (i) foods as ingredients, thickening agents, stabilizers, sweeteners, emulsifiers and additives in food products (bakery products, confectionery, pastas, soups, ketchups, sauces, creams, deserts, amongst others), (ii) animal nutrition products as nutritional ingredients, and (iii) other industrial products as disintegrants, excipients, supplements, coating agents, binders, smoothing & flattering agents, finishing agents, among others.

As per Frost & Sullivan (*Company Commissioned Report, dated May 18, 2024*), with an installed capacity of 3,63,000 tons per annum (1,100 tons per day), we are the fifth largest manufacturer of maize based speciality products and ingredient solutions in India. We believe that our leading position in the industry, technical knowledge to bring specific functionality and nutrition to end products, more than five decades of presence, state of the art manufacturing facilities, diverse product portfolio and clientele in domestic and global markets, provide us with competitive advantage.

We are a recognised Two Star export house from Director General of Foreign Trade, Government of India (while Sanstar Biopolymers Limited, the erstwhile Company which was merged with our Company *vide* NCLT order dated November 23, 2023, is a recognised Three Star Export House). During Fiscals 2024, 2023 and 2022, our revenue from exports were ₹ 3,944.38 million, ₹ 3,776.73 million and ₹ 187.77 million respectively, representing 35.53%, 29.96% and 3.65% respectively of our Gross Revenue from Operations, on the basis of our Restated Consolidated Financial Statements. We exported our products to 49, 49 and 5 countries across Asia, Africa, Middle East, Americas, Europe and Oceania, during Fiscals 2024, 2023 and 2022, on the basis of our Restated Consolidated Financial Statements. Additionally, our Company has footprints across India, with its products being sold in 22 states on the basis of our Restated Consolidated Financial Statements, as on the date of this Red Herring Prospectus.

Our two manufacturing facilities spread across cumulative area of 10.68 million square feet (approximate 245 Acres) are located at Dhule in the state of Maharashtra and Kutch in the state of Gujarat. Our Dhule Facility is the latest, sustainability focused, state of the art, automated facility and has been designed by our in-house team of 24 engineers. Our manufacturing facilities are strategically located in terms of both proximity to our raw material sources i.e. maize harvesting belts as well as seaports of Mundra, Kandla, Hazira and Nhava Sheva, for exports of our finished products. Our Dhule Unit has been duly certified in accordance with FSSAI, FSSC 22000:2018, Kosher, HALAL, International Standards for Quality Management Systems as per ISO 9001:2015 and SGS's Certificate for India's National Programme for Organic Production Standards, amongst others. Similarly, our Kutch unit is registered with United States Food and Drug Administration (USFDA) and also hold certifications like FSSAI, HACCP, HALAL, ISO 9001:2015.

Diversified Sales Channel Ensuring Global Coverage

Geography wise sales on the basis of Restated Consolidated Financial Statements:

Product	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations
Domestic Sales	7,156.66	64.47	8,828.71	70.04	4,962.66	96.35
Exports Sales	3,944.38	35.53	3,776.73	29.96	187.77	3.65
Gross Revenue from operations	11,101.04	100.00	12,605.44	100.00	5,150.43	100.00

Region	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Domestic Sales	₹ in million	% of Domestic Sales	₹ in million	% of Domestic Sales
West	5,041.97	70.45	6,634.28	75.14	4,103.37	82.69
South	1,695.20	23.69	1,597.61	18.10	492.30	9.92
Central	154.91	2.16	166.67	1.89	153.35	3.09
East	124.26	1.74	256.68	2.91	147.33	2.97
North	140.31	1.96	173.47	1.96	66.30	1.34
Total Domestic Sales	7,156.66	100.00	8,828.71	100.00	4,962.66	100.00

Our customer base can be broadly classified as follows:

- **Manufacturers of end products:** They are manufacturers of end products under their own brand or are contract manufacturers of end product for other organisations. They use our products directly as ingredients/ raw materials in the end product. For e.g. confectionery manufacturers, pharmaceutical formulations manufacturers, edible oil manufacturers, bakery product manufacturers, animal nutrition product manufacturers, adhesive manufacturers, paper products manufacturers, etc.
- **Manufacturers of ingredients / agents / excipients:** They are manufacturer of ingredients / agents / excipients for their clients who ultimately use these products in their end products meant for consumers.
- **Distributors / Traders / Aggregators / Indenting Agents:** They are aggregators / stockists of various ingredients and solutions who supply to end user companies / ingredient manufacturers. We sell our products to distributors in bulk as per the specifications provided by them who in turn supply to their customers.

During the Fiscal Years ended March 31, 2024, March 31, 2023 and March 31, 2022 we had served over 525, 541 and 215 customers respectively, on the basis of our Restated Consolidated Financial Statements.

Principal Factors Affecting Our Results of Operations

Cost and Availability of Raw Materials

Our Company manufactures maize based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications. The manufacturing quantity and the pricing of our products is significantly dependent on our ability to source our key raw materials i.e, Maize, at acceptable prices and maintain a stable and sufficient supply of the same. Company in its usual course of business meets its raw material requirement by procurement from mandis that are local market places and also directly from farmers harvesting maize. During the months of March to May and September to December, maize harvesting in India is at its peak and purchase of maize usually takes place during such months for stocking purposes (*Source: Frost & Sullivan Report May 18, 2024*). Though the price of the raw material during the peak season of arrival are lower compared to the price during the other calendar months, in the event we are unable to procure and store maize during the peak arrival season in a timely manner or at all and at a commercially reasonable price, we may have to incur additional procurement costs which may not be commercially favourable for us.

As per the Restated Consolidated Financial Statements, our cost of material consumed were ₹ 8,329.30 million, ₹ 9,588.56 million and ₹ 3,915.23 million constituting 83.97%, 83.07% and 81.10% of our total expenses for the Fiscals 2024, 2023 and 2022 respectively.

The raw material we source are subject to price volatility and unavailability caused by factors beyond the control of our Company, weather conditions, supply and demand dynamics, logistics, our bargaining power with the suppliers, inflation and governmental regulations and policies. Our Company has not entered into any forward contracts or contracts with its suppliers for the procuring maize. Any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our operations.

Manufacturing capacities and operating efficiencies

A significant factor that affects and will continue to affect our revenues and results from operations is the capacity and utilisation of our manufacturing facilities. Our two manufacturing facilities spread across cumulative area of 10.68 million square feet (approximate 245 Acres) are located at Dhule in the state of Maharashtra and Kutch in the state of Gujarat. Our Dhule Facility is the latest, sustainability focused, state of the art, automated facility and has been designed by our in-house team of 24 engineers. Our manufacturing facilities are strategically located in terms of both proximity to our raw material sources i.e. maize harvesting belts as well as seaports of Mundra, Kandla, Hazira and Nhava Sheva, for exports of our finished products.

Our business is dependent upon our ability to effectively manage our Manufacturing Units, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions, fire, power interruption and natural disasters, however our Company maintains comprehensive insurance coverage to mitigate the risk arising out of such event. While there have been no such instances during Fiscals 2024, 2023 and 2022, any significant malfunction or breakdown of our machinery, equipment, automation systems, IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair or properly maintain manufacturing assets in a timely manner or at all, our operations may need to be suspended until we repair or procure the appropriate manufacturing assets to replace them and there can be no assurance that the new manufacturing assets will be repaired, procured and/or integrated in a timely manner. In addition, we may be required to carry out planned shutdowns of our Manufacturing Units for maintenance, statutory inspections, customer audits and testing if any, or we may shut down one or more of our Manufacturing Units for capacity expansion and equipment upgrades.

Dependencies on demand from end-user industries

Our revenues are dependent on the end-use industries that use our products for their various requirements and usages. The following table sets forth a breakdown of our revenue from operations from various industry segments, in absolute terms and as a percentage of Gross Revenue from Operations, for the periods indicated

On the basis of our Restated Consolidated Financial Statements:

Industry / Sector	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Gross Revenue from Operations	₹ in million	% of Gross Revenue from Operations	₹ in Million	% of Gross Revenue from Operations
Food	6,451.93	58.12	7,720.83	61.25	3,044.45	59.11
Animal Nutrition	1,160.06	10.45	1,275.67	10.12	649.74	12.62
Other Industrial Applications	3,489.05	31.43	3,608.94	28.63	1,456.24	28.27
Gross Revenue from Operations	11,101.04	100.00	12,605.44	100.00	5,150.43	100.00

Any reduction or fall in the demand of products or services of our customers operating in the relevant application industries may ultimately have an impact on our business, profitability and financials. Further, any changes in governmental or regulatory policy and/or any slowdown in our Company's customer's industry due to any reasons will also affect the demand. If the end-user demand is low for our customers' products, there may be significant changes in the orders from our customers or we may experience greater pricing pressures. Any decrease in demand

in those industries may result in increased inventories which may lead to increase in holding costs thereby impacting our results of operations and financial condition.

Foreign Exchange Fluctuation Risk

Our Company exports its products to various geographies across the globe. Revenue from operations for the company consists of domestic sales and export sales. This gives us exposure to foreign currencies for selling while we prepare our financial statements in Indian Rupees. For Fiscals 2024, 2023 and 2022, our Gross Revenue from Operations from exports were ₹ 3,944.38 million, ₹ 3,776.73 million and ₹ 187.77 million respectively, representing 35.53%, 29.96% and 3.65% of our revenue from operations based on our Restated Consolidated Financial Statements.

Our Company hedges the foreign exchange exposure partly through forward foreign currency covers. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar/EURO, Indian Rupees and other foreign currencies. For Fiscals 2024, 2023 and 2022, we recorded foreign currency exchange gains due to fluctuations in foreign exchange rates of ₹ 48.20 million, ₹ 29.60 million and ₹ 2.57 million, respectively, based on our Restated Consolidated Financial Statements. There can be no assurance that we will continue to record exchange gains only from foreign exchange fluctuations or any hedging measures which we may take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar/EURO or other foreign currencies.

Significant Accounting Policies

Statement of compliance:

The Restated Consolidated Financial Information comprise the “Restated Consolidated Statement of Assets and Liabilities” as at March 31, 2024 and “Restated standalone Statement of Assets and Liabilities” as at March 31, 2023, and March 31, 2022; the “Restated Consolidated Statement of Profit and Loss Account” (including Other Comprehensive Income) for the year ended March 31, 2024 and the “Restated Standalone Statement of Profit and Loss Account” for the year(s) ended March 31, 2023 and March 31, 2022; the “Restated Consolidated Statement of Changes in equity” for the year March 31, 2024 and the “Restated Standalone Statement of Changes in equity” for the year March 31, 2023 and March 31, 2022; the “Restated Consolidated Statement of Cash Flows” for the year ended March 31, 2024 and the “Restated Standalone Statement of Cash Flows” for the year ended March 31, 2023 and March 31, 2022; the “Notes to Restated Consolidated Financial Information” for the year ended March 31, 2024 and the “Notes to Restated Standalone Financial Information” for the year ended March 31, 2023 and March 31, 2022,

The restated Consolidated financial statements of the Group have been prepared by the management specifically for the purpose of inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), Registrar of Companies (“RoC”) and Stock Exchanges in connection with the proposed Initial Public Offering (“IPO”) of equity shares of the Company (referred to as the “Issue”).

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the ‘Act’) from time to time;
- b. Paragraph(A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the “SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

These Restated Consolidated Financial Information, expressed in Indian Rupees in million, has been prepared by the Company’s Management from:

- (a) The Audited Consolidated Financial Statements of the Company audited by us as at and for the financial year ended 31 March 2024 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 16,2024.
- (b) Audited Standalone Financial Statements of Expression commercial LLP, a subsidiary for the year ended 31 March, 2024 prepared in accordance with the Ind AS, which have been approved by the Designated Partners of the LLP at their meeting held on May 16, 2024. The company has acquired the 99.99 % stake in Expression Commercial LLP vide agreement dated December 18, 2023.
- (c) The Audited Standalone Financial Statements of the Company audited by us for the year ended March 31,2023 prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on December 27, 2023. The Company has given impact of Composite Scheme of Amalgamation between Sanstar Limited and Sanstar Bio Polymers Limited pursuant to order of NCLT dated November 23,2023 to give effect of such amalgamation from April 1, 2022.
- (d) Audited Standalone Financial Statements of the Company as at and for the year ended March 31, 2023 and March 31, 2022, which were prepared in accordance with accounting principles generally accepted in India (“Indian GAAP”) including the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been audited and reported by erstwhile Statutory Auditor Kamal M Shah & Co. for the year ended March 31, 2023 and by Nahta Jain & Associates, Chartered Accountants for the years ended on March 31, 2022;
- (e) The financial information for the year ended March 31, 2023 and March 31, 2022 included in such restated financial information have been prepared by the management by preparing Ind-AS financial statements as at March 31, 2023 wherein Ind-AS transition / restatement adjustments have been made to the financial statements of the Company and prepared in accordance with the Indian accounting standards as notified under Companies Act, 2013.

The Company voluntarily adopted Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred “Ind AS”) for the financial year ended March 31, 2023 with transition date as April 1, 2020 and prepared its first Consolidated financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended March 31, 2024.

The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been given.

The restated Consolidated financial information has been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 (“ICDR Regulations”).

The Company’s presentation and functional currency is Indian Rupees and all values are rounded to the Millions with two decimals.

These Financial Statements have been prepared in accordance with Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Companies (Indian Accounting Standards) Rules as amended from time to time. The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors, and regrouping/reclassifications retrospectively in the years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies.

b) do not require any adjustment for qualifications as there are no qualifications in the underlying auditors' reports which require any adjustments.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

I. Use of estimates & Judgments

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make informed judgments, reasonable assumptions and estimates that affect the amounts reported balances of Assets and Liabilities, disclosures of contingent Liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements are in respect of the following:

- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies

II. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Millions, with two decimals except as stated otherwise.

III. Material accounting policies

A. Revenue recognition

Revenue from contract with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and

- Recognize revenues when a performance obligation is satisfied.

1. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes applicable taxes.

2. Interest income

For all financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

3. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

B. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

C. Export Benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustments in raw material consumption.

D. Taxes

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

E. Leases

Company as a lessee

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

F. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

1. Long-term employee benefits

Post-employment and other employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

2. Defined contribution plans

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making

various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

G. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognized as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Lease hold land	Lease term (99 years)
Buildings	30 to 60 years
Plant and machinery	10 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013 based on Straight Line Method.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

H. Inventories

Inventories are valued at the lower of cost and net realizable value.

- 1. Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. **Cost is determined on cost.** Cost is determined based on **First in First Out Method.**
- 2. Finished goods and work in progress:** cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. **Cost is determined on lower of cost or net realizable value.** Cost is determined based on **First in First Out Method.**
- 3. Stores and spares:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. **Cost is determined on Cost basis.** An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognized as a part of inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

I. Financial Instruments

- **Financial assets**

- i. Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

- ii. Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- (a) Debt instruments at amortized cost
- (b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- iii. Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

v. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vi. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

- (a) Financial assets measured at amortized cost;
- (b) Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- (a) Trade receivables or contract revenue receivables; and

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

vii. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

• Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- (a) Financial liabilities at fair value through profit or loss
- (b) Loans and borrowings
- (c) Financial guarantee contracts

iii. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

J. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

K. Segment Reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The company operates in one business segment i.e. Corn Wet Milling comprising mainly manufacture of starches, its derivatives and by product as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

L. Provisions, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation

and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- (a) A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- (b) A present obligation arising from the past events, when no reliable estimate is possible;
- (c) A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

M. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the company are segregated.

N. Current and non-current classification

The company presents assets and liabilities in the statement of Asset and Liability based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

O. Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

P. Earnings Per Share

Basic earnings per share is computed and disclosed by dividing the net profit after tax by using the weighted average number of common shares outstanding during the year. Dilutive earning per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Q. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

R. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Millions as per the requirements of Schedule III, unless otherwise stated.

S. Merger:

Pursuant to the Composite Scheme of Amalgamation between Sanstar Limited and Sanstar Bio Polymers Limited (the Company) and their respective shareholders and creditors under section 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("the Scheme" or "Business Reorganization Scheme"). Sanstar Bio Polymers Limited were merged with the SANSTAR LIMITED with effect from the appointed date, April 01, 2022 vide order of NCLT dated 23 November, 2023. The Scheme was sanctioned by the Ahmedabad bench of the Hon'ble National Company Law Tribunal [NCLT] vide its order dated 23 November, 2023 and all the businesses, undertakings, activities, properties, investments and liabilities of the Amalgamating Companies were transferred to and vested in Amalgamated Company as per the Scheme with effect from April 01, 2022, being the appointed date. The certified

copy of order and necessary forms was filed with Registrar of Companies, Gujarat [ROC] at Ahmedabad on November 27, 2023 on being the effective date.

T. Acquisition:

Pursuant to the Acquisition of 99% Capital of Expression LLP, Sanstar Limited has acquired 99.99% stake as Partner's Capital in Expression Commercial LLP vide agreement dated 18.12.2023.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our financial results determined in accordance with Ind AS, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. Our management does not consider these non-GAAP financial measures and key performance indicators in isolation or as an alternative or substitutive to the Restated Consolidated Financial Statements. We present these non-GAAP financial measures and key performance indicators because we believe they are useful to our Company in assessing and evaluating our operating performance, and for internal planning and forecasting purposes. We believe these non-GAAP financial measures could help investors as an additional tool to evaluate our ongoing operating results and trends with a more granular view of our financial performance.

As per Restated Consolidated Financial Statements

(₹ in million except per share data or unless otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations ⁽¹⁾	10,672.71	12,050.67	5,044.02
EBITDA ⁽²⁾	981.41	724.47	397.20
EBITDA Margin (%) ⁽³⁾	9.20	6.01	7.87
PAT ⁽⁴⁾	667.67	418.05	159.21
PAT Margin (%) ⁽⁵⁾	6.17	3.46	3.15
EPS - Basic & Diluted ⁽⁶⁾	4.75	2.98	1.08
Total Borrowings ⁽⁷⁾	1,276.36	1,117.00	852.24
Net worth ⁽⁸⁾	2,159.12	1,492.81	489.67
ROE (%) ⁽⁹⁾	30.92	28.00	32.51
ROCE (%) ⁽¹⁰⁾	25.43	23.82	23.19
Debt - Equity Ratio ⁽¹¹⁾	0.50	0.60	1.00
Fixed Assets Turnover Ratio ⁽¹²⁾	5.28	6.16	3.79
Net Cash from/ (used in) Operating Activities ⁽¹⁴⁾	285.97	(60.17)	297.14
No. of Plants ⁽¹⁴⁾	2	2	1
Total installed capacity in metric tonnes per day ⁽¹⁵⁾	1100	1100	750
No. of customers ⁽¹⁶⁾	525	541	215
Export presence (no. of countries) ⁽¹⁷⁾	49	49	5
Revenue CAGR (%) ⁽¹⁸⁾			45.46
EBITDA CAGR (%) ⁽¹⁸⁾			57.19
PAT CAGR (%) ⁽¹⁸⁾			104.79

As certified by M/s S C Bapna & Associates, Chartered Accountants, Statutory Auditors of our Company, vide their certificate dated May 22, 2024.

- 1) Revenue from operations is calculated as revenue from sale of products as per the Restated Consolidated Financial Statements;
- 2) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
- 3) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
- 4) PAT represents total profit after tax for the year / period;
- 5) PAT Margin is calculated as PAT divided by total income;

- 6) *Basi and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.*
- 7) *Total Borrowings are calculated as total of current and non-current borrowings;*
- 8) *“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.*
- 9) *ROE is calculated as PAT divided by net worth*
- 10) *ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth as defined in (8) above + total current & non-current borrowings– cash and cash equivalents and other bank balances;*
- 11) *Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & non-current borrowings; total equity means sum of equity share capital and other equity;*
- 12) *Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total of property, plant & equipment. Figures for property, plant & equipment do not include capital work-in-progress.*
- 13) *Net Cash from/ (used in) Operating Activities is calculated as Net Cash from/ (used in) Operating Activities as per the Restated Consolidated Financial Statement.*
- 14) *No. of Plants indicates the number of manufacturing facilities operated by the company*
- 15) *Total installed capacity is the maize crushing capacity of the Company in metric tonnes per day.*
- 16) *No. of customers is the aggregate customers served by the company*
- 17) *Export presence is the no. of global countries to which the sales are made by the company*
- 18) *CAGR = Compounded Annual Growth Rate*

Principle components of Revenue and Expenditure on the basis of our Restated Consolidated Financial Statements

The following descriptions set forth information with respect to key components of our income statement.

Revenue

Revenue from operations

Revenue from operations comprises income from domestic sales and export sales less brokerage/commission, freight, and goods in transit.

Below is the breakdown of our revenue from operations based on the Restated Consolidated Financial Statements-

<i>(₹ in million)</i>			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sale of products			
Domestic Sales	7,156.66	8,828.71	4,962.66
Export Sales	3,944.38	3,776.73	187.77
Gross Revenue from Operations	11,101.04	12,605.44	5,150.43
Less:			
Brokerage / Commission	13.70	395.05	11.73
Freight	414.63	159.71	94.69
	428.33	554.77	106.41
Revenue from Operations	10,672.71	12,050.67	5,044.02

Other income

Other income primarily comprises of interest received, insurance claim income, currency fluctuation, sundry balance, written back , profit on sale of plant and machinery, amongst others.

Below is the breakdown of other income based on the Restated Consolidated Financial Statements

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Interest Received	13.35	7.64	0.39
Insurance Claim Income	35.88	0.92	0.69
Dividend Income	0.00	-	-
Other Misc Income	0.02	-	-
Currency Fluctuation	48.20	29.60	2.57
Sundry Balance written back	36.51	3.02	-
Profit on sale of Plant & Machinery	10.17	4.82	-
Profit on sale of Shares	-	-	0.00
Total	144.12	46.01	3.65

Expenses

Our expenses comprise of cost of material consumed, Purchase of stock in trade, changes in inventory, employee benefit expenses, finance costs, depreciation and amortization expense and other expenses.

Cost of raw materials consumed

Cost of raw material consumed primarily consists of purchases adjusted with changes in inventory at the beginning and end of the reporting period.

Purchases of Stock-in-Trade

Purchase of Stock-in-Trade primarily consist of Stock in Trade purchased.

Changes in inventories

Changes in inventories of finished goods, work in progress, Stock-in-Trade and goods-in-transit in the increase or decrease in the closing balance of finished goods, work in progress, Stock-in-Trade and goods-in-transit during the reporting period.

Employee benefit expenses

Employee benefit expenses primarily comprises of salaries and wages, contribution to Provident Fund and other fund, staff welfare expenses, gratuity expenses and director/partner remuneration (salary).

Finance costs

Finance costs primarily comprises of interest expense and other borrowing cost.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprises of depreciation on fixed assets.

Other expenses

Other expenses comprise primarily of power & fuel consumed, packing material consumed, stores & consumable consumed, repair & maintenance – Plant & Machinery, professional & consultancy charges, repair & maintenance – others, chemical consumed, CSR, other factory expenses, insurance expenses, travelling & conveyance expenses,

rates & taxes, administration & other misc. expenses, stationery & printing expenses, telephone, internet, postage, & courier expenses, vehicle expenses, auditor's remuneration, advertisement expenses, electricity charges, selling & distribution expenses, rent, GST penalty expenses, donation, expected credit loss, office and other expense among others.

Below is the breakdown of other expenses based on the Restated Consolidated Financial Statements

	<i>(₹ in million)</i>		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Power & Fuel consumed	822.38	1,080.13	425.10
Packing Material consumed	134.71	129.42	69.49
Stores and Consumables consumed	72.47	114.20	43.48
Repair & Maintenance – Plant & Machinery	13.67	44.60	43.17
Professional & Consultancy Charges	19.88	14.03	7.13
Repairs & Maintenance – Others	6.58	16.51	35.66
Chemical Consumed	40.53	27.53	11.06
CSR	7.30	3.20	3.00
Other Factory Expenditure	22.84	25.02	9.08
Insurance Expenses	9.33	6.42	3.16
Travelling and Conveyance Expenses	13.97	9.44	0.12
Rates & Taxes	9.88	3.49	16.41
Administration & Other Misc. Expenses	9.90	18.78	0.23
Stationery & Printing Expenses	3.71	2.18	0.32
Telephone, Internet, Postage, & Courier Expenses	3.36	2.68	0.34
Vehicle Expenses	1.42	1.90	0.87
Auditor's Remuneration	1.51	0.33	0.55
Rent	9.45	6.24	0.10
Advertisement Expenses	1.09	0.67	-
Other Expenses	5.22	1.17	2.02
Total	1,209.20	1,507.94	671.28

Results of Operations

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated below.

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Results of Operations as per Restated Consolidated Financial Statements

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	₹ in million	% of Total Income	₹ in million	% of Total Income	₹ in million	% of Total Income
Revenue from operations	10,672.71	98.67	12,050.67	99.62	5,044.02	99.93
Other income	144.12	1.33	46.01	0.38	3.65	0.07
Total Income	10,816.83	100.00	12,096.68	100.00	5,047.67	100.00%
Expenses						
Cost of materials consumed	8,329.30	77.00	9,588.56	79.27	3,915.23	77.57%
Purchase of stock in trade	-	-	11.61	0.10	-	-
Changes in inventory	(66.78)	(0.62)	24.84	0.21	(44.44)	(0.88%)
Employee benefits expense	219.58	2.03	193.25	1.60	104.75	2.08%
Finance costs	107.38	0.99	98.06	0.81	90.85	1.80%
Depreciation and amortisation expense	120.91	1.12	118.54	0.98	90.17	1.79%
Other expense	1,209.20	11.18	1,507.94	12.47	671.28	13.30%
Total Expenses	9,919.59	91.71	11,542.80	95.42	4,827.84	95.64%
Profit before tax	897.24	8.29	553.88	4.58	219.83	4.36%
Tax Expense						
Current tax	166.87	1.54	53.76	0.44	56.84	1.13%
Deferred tax	62.70	0.58	82.07	0.68	3.78	0.07%
Total tax expense	229.57	2.12	135.83	1.12	60.62	1.20%
Profit for the period/ year	667.67	6.17	418.05	3.46	159.21	3.15%
Other comprehensive income/ (loss)						
Items that will not be reclassified to profit or loss	(1.82)	(0.02)	1.04	0.01	0.36	0.01
Income tax relating to items that will not be reclassified to profit or loss	0.46	0.00	(0.26)	0.00	(0.09)	0.00
Total other comprehensive income	(1.36)	(0.01)	0.78	0.01	0.27	0.01
Total comprehensive income for the period/ year	666.31	6.16	418.83	3.46	159.48	3.16%

Results of Operations for Fiscal 2024 compared with Fiscal 2023

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Change %
Income			
Revenue from Operations	10,672.71	12,050.67	(11.43)
Other Income	144.12	46.01	213.22
Total Income	10,816.83	12,096.68	(10.58)
Expenses			
Cost of materials consumed	8,329.30	9,588.56	(13.13)
Purchase of Stock-in-Trade	-	11.61	(100)
Changes in inventory	(66.78)	24.84	(368.83)
Employee benefits expense	219.58	193.25	13.62
Finance costs	107.38	98.06	9.51
Depreciation and amortisation expense	120.91	118.54	1.99
Other expense	1,209.20	1,507.94	(19.81)
Total Expenses	9,919.59	11,542.80	(14.06)
Profit before tax	897.24	553.88	61.99
Tax Expense			
Current tax	166.87	53.76	210.43
Deferred tax	62.70	82.07	(23.60)
Profit after tax	667.67	418.05	59.71

Total Income

Our total income in Fiscal 2024 decreased by 10.58% to ₹ 10,816.83 million in Fiscal 2024 from ₹ 12,096.68 million in Fiscal 2023 primarily on account of the following:

Revenue from operations

Below is the breakup of our revenue from operations for Fiscal 2024 and Fiscal 2023

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Change %
Sale of Products			
Domestic Sales	7,156.66	8,828.71	(18.94)
Export Sales	3,944.38	3,776.73	4.44
Gross Revenue from Operations	11,101.04	12,605.44	(11.93)
Less:			
Brokerage / Commission	13.70	395.05	(96.53)
Freight	414.63	159.71	159.61
Revenue from Operations	10,672.71	12,050.67	(11.43)

Our revenue from operations decreased by 11.43% from ₹ 12,050.67 million in Fiscal 2023 to ₹10,672.71 million in Fiscal 2024, primarily attributed to decrease in domestic sales from ₹ 8,828.71 million in Fiscal 2023 to ₹ 7,156.66 million in Fiscal 2024 which was partially set off by increase in Export Sales from ₹ 3,776.73 million in Fiscal 2023 to ₹ 3,944.38 million in Fiscal 2024. The decrease in sales during the Fiscal 2024 was due to the planned boiler maintenance carried out during the months of January and February 2024 for a period of 20 days which affected capacity utilisation at our Kutch Facility consequently the production quantity and sales volume decreased by 1.91% and 2.20% in Fiscal 2024 compared to Fiscal 2023.

Other Income

Our other income increased by 213.22% from ₹ 46.01 million in Fiscal 2023 to ₹ 144.12 million in Fiscal 2024, primarily attributed to increase in currency fluctuation by 62.82% from ₹ 29.60 million in Fiscal 2023 to ₹ 48.20 million in Fiscal 2024, increase in interest received by 74.62% from ₹ 7.64 million in Fiscal 2023 to ₹ 13.35 million in Fiscal 2024, increase in Insurance claim income by 3805.07% from ₹ 0.92 million in Fiscal 2023 to ₹ 35.88 million in Fiscal 2024, increase in Sundry Balance written back by 1107.06% from ₹ 3.02 million in Fiscal 2023 to ₹ 36.51 million in Fiscal 2024 and increase in profit on sale of plant and machinery by 110.90% from ₹ 4.82 million in Fiscal 2023 to ₹ 10.17 million in Fiscal 2024.

Total Expenses

Our expenses in Fiscal 2024 decreased by 14.06% from ₹ 11,542.80 million in Fiscal 2023 to ₹ 9,919.59 million in Fiscal 2024 primarily on account of the following reasons:

Cost of materials consumed

Our cost of materials consumed decreased by 13.13% from ₹ 9,588.56 million in Fiscal 2023 to ₹ 8,329.30 million in Fiscal 2024, in line with decrease in Revenue from Operations by 11.43% in Fiscal 2024. Our cost of materials consumed was 77.00% of the total income in the Fiscal 2024 compared to 79.27% in the Fiscal 2024.

Change in inventories

Change in inventories was ₹ (66.78) million in Fiscal 2024 as compared to ₹ 24.84 million in Fiscal 2023. Following table explains the Change in inventories of finished goods, work-in-progress and goods-in-transit.

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Change %
Opening Stock			
Finished Goods	60.14	59.23	1.54
Work-in-Progress	5.81	3.15	84.04
Goods-in-transit	67.46	90.41	(25.38)
Stock in Trade	-	5.45	(100.00)
	133.41	158.25	(15.70)
Closing Stock			
Finished Goods	163.22	60.14	171.38
Work-in-Progress	7.64	5.81	31.62
Goods-in-transit	29.33	67.46	(56.53)
	200.19	133.41	50.05
Total	(66.78)	24.84	(363.83)

Employee benefits expense

Our employee benefits expense increased by 13.62% from ₹ 193.25 million in Fiscal 2023 to ₹ 219.58 million in Fiscal 2024, primarily attributed to increase in salaries and wages from ₹ 165.03 million in Fiscal 2023 to ₹ 192.82 million in Fiscal 2024 and increase in director remuneration from ₹ 21.30 million in Fiscal 2023 to ₹ 22.50 million in Fiscal 2024. However, the increase was marginally offset by decrease in staff welfare expense from ₹ 3.56 million in Fiscal 2023 to ₹ 4.60 million in Fiscal 2024 and decrease in gratuity expenses from ₹ 2.25 million in Fiscal 2023 to ₹ 0.63 million in Fiscal 2024

Finance costs

Our finance costs increased by 9.32% from ₹ 98.06 million in Fiscal 2023 to ₹ 107.38 million in Fiscal 2024, primarily attributed to increase in interest expenses from ₹ 86.77 million in Fiscal 2023 to ₹ 94.85 million in Fiscal 2024 and increase in borrowing cost from ₹ 11.29 million in Fiscal 2023 to ₹ 12.53 million in Fiscal 2024.

Depreciation and amortisation expense

Our depreciation and amortization expense increased by 1.99% from ₹ 118.54 million in Fiscal 2023 to ₹ 120.91 million in Fiscal 2024. Our gross carrying amount of property, plant and equipment increased by 7.80% from ₹ 2,297.00 million in Fiscal 2023 to ₹ 2,476.27 million in Fiscal 2024.

Other expenses

Our other expenses decreased by 19.81% from ₹ 1,507.94 million in Fiscal 2023 to ₹ 1,209.20 million in Fiscal 2024, in line with the decrease in business operations.

Below is the breakdown of our other expenses for Fiscal 2024 and Fiscal 2023

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Change %
Power & Fuel consumed	822.38	1,080.13	(23.86)
Packing Material consumed	134.71	129.42	4.09
Stores and Consumables consumed	72.47	114.20	(36.55)
Repair & Maintenance - Plant & Machinery	13.67	44.60	(69.35)
Professional & Consultancy charges	19.88	14.03	41.64
Repairs & Maintenance – Others	6.58	16.51	(60.14)
Chemical consumed	40.53	27.53	47.20
CSR	7.30	3.20	128.13
Other Factory expenditure	22.84	25.02	(8.69)
Insurance expenses	9.33	6.42	45.26
Travelling and Conveyance expenses	13.97	9.44	48.00
Rates & Taxes	9.88	3.49	183.30
Administration & Other Misc. expenses	9.90	18.78	(47.26)
Stationery & Printing expenses	3.71	2.18	69.99
Telephone, Internet, Postage, & Courier expenses	3.36	2.68	25.43
Vehicle expenses	1.42	1.90	(25.33)
Auditor's Remuneration	1.51	0.33	356.56
Rent	9.45	6.24	51.50
Advertisement expenses	1.09	0.67	62.26
Other expenses	5.22	1.17	347.50
Total	1,209.20	1,507.94	(19.81)

The decrease in Other Expenses was primarily attributed to the following:

- i. Power and fuel expense decreased by 23.86% from ₹ 1,080.13 million in Fiscal 2023 to ₹ 822.38 million in Fiscal 2024. The decrease was mainly on account of decrease in business activity during the Fiscal 2024 as compared to Fiscal 2023
- ii. Stores & Consumable Consumed decreased by 36.55% from ₹ 114.20 million in Fiscal 2023 to ₹ 72.47 million in Fiscal 2024. The decrease was mainly on account of decrease in business activity during the Fiscal 2024 as compared to Fiscal 2023
- iii. Repair & Maintenance – plant & machinery decreased by 69.35% from ₹ 44.60 million in Fiscal 2023 to ₹ 13.67 million in Fiscal 2024
- iv. Repair & Maintenance – others decreased by 60.14% from ₹ 16.51 million in Fiscal 2023 to ₹ 6.58 million in Fiscal 2024

- v. Other Factory Expenses decreased by 8.69% from ₹ 25.02 million in Fiscal 2023 to ₹ 22.84 million in Fiscal 2024. The decrease was mainly on account of decrease in business activity during the Fiscal 2024 as compared to Fiscal 2023.
- vi. Administration & Other Misc. Expenses decreased by 47.26% from ₹ 18.78 million in Fiscal 2023 to ₹ 9.90 million in Fiscal 2024
- vii. Vehicle Expenses decreased by 25.33% from ₹ 1.90 million in Fiscal 2023 to ₹ 1.42 million in Fiscal 2024

However, the decrease was partially offset by increase in (i) Professional & Consultancy Charges from ₹ 14.03 million in Fiscal 2023 to ₹ 19.88 million in Fiscal 2024, (ii) Chemical consumed from ₹ 27.53 million in Fiscal 2023 to ₹ 40.53 million in Fiscal 2024, (iii) CSR from ₹ 3.20 million in Fiscal 2023 to ₹ 7.30 million in Fiscal 2024 (iv) Insurance expenses from ₹ 6.42 million in Fiscal 2023 to ₹ 9.33 million in Fiscal 2024, (v) travelling & conveyance expenses from ₹ 9.44 million in Fiscal 2023 to ₹ 13.97 million in Fiscal 2024, (vi) rates and taxes from ₹ 3.49 million in Fiscal 2023 to ₹ 9.88 million in Fiscal 2024, (vii) stationery & printing expenses from ₹ 2.18 million in Fiscal 2023 to ₹ 3.71 million in Fiscal 2024, (viii) Telephone, Internet, Postage, & Courier Expenses from ₹ 2.68 million in Fiscal 2023 to ₹ 3.36 million in Fiscal 2024, (ix) Auditor Remuneration from ₹ 0.33 million in Fiscal 2023 to ₹ 1.51 million in Fiscal 2024, (x) Rent expenses from ₹ 6.24 million in Fiscal 2023 to ₹ 9.45 million in Fiscal 2024, (xi) Advertisement Expenses from ₹ 0.67 million in Fiscal 2023 to ₹ 1.09 million in Fiscal 2024 among others

Profit before tax

As a result of the foregoing, our profit before tax increased by 61.99%, from ₹ 553.88 million in Fiscal 2023 to ₹ 897.24 million in Fiscal 2024.

Tax expenses

Our tax expenses (including current tax and deferred tax) increased by 69.02% from ₹ 135.83 million in Fiscal 2023 to ₹ 229.57 million in Fiscal 2024. The increase in our tax expenses in Fiscal 2023 was primarily due to an increase in the profit before tax.

Profit for the year

As a result of the foregoing, our profit for the year increased by 59.17% from ₹ 418.05 million in Fiscal 2023 to ₹ 667.67 million in Fiscal 2024.

Results of Operations for Fiscal 2023 compared with Fiscal 2022

	<i>(₹ in million)</i>		
Particulars	Fiscal 2023	Fiscal 2022	Change %
Income			
Revenue from Operations	12,050.67	5,044.02	138.91
Other Income	46.01	3.65	1,160.14
Total Income	12,096.68	5,047.67	139.65
Expenses			
Cost of materials consumed	9,588.56	3,915.23	144.90
Purchase of Stock-in-Trade	11.61	-	100.00
Changes in inventory	24.84	(44.44)	(155.89)
Employee benefits expense	193.25	104.75	84.49
Finance costs	98.06	90.85	7.93
Depreciation and amortisation expense	118.54	90.17	31.47
Other expense	1,507.94	671.28	124.64

Particulars	Fiscal 2023	Fiscal 2022	Change %
Total Expenses	11,542.80	4,827.84	139.09
Profit before tax	553.88	219.83	151.96
Tax Expense			
Current tax	53.76	56.84	(5.43)
Deferred tax	82.07	3.78	2070.49
Profit after tax	418.05	159.21	162.58

Total Income

Our total income in Fiscal 2023 increased by 139.65% to ₹ 12,096.68 million in Fiscal 2023 from ₹ 5,047.67 million in Fiscal 2022 primarily on account of the following:

Below is the breakup of our revenue from operations for Fiscal 2023 and Fiscal 2022

(₹ in million)			
Particulars	Fiscal 2023	Fiscal 2022	Change %
Sale of Products			
Domestic Sales	8,828.71	4,962.66	77.90
Export Sales	3,776.73	187.77	1911.38
Gross Revenue from Operations	12,605.44	5,150.43	144.75
Less:			
Brokerage / Commission	395.05	11.73	3268.76
Freight	159.71	94.69	68.68
Revenue from Operations	12,050.67	5,044.02	138.91

Our revenue from operations increased by 138.91% from ₹ 5,044.02 million in Fiscal 2022 to ₹ 12,050.67 million in Fiscal 2023, primarily attributed to increase in Domestic Sales from ₹ 4962.66 million in Fiscal 2022 to ₹ 8,828.71 million in Fiscal 2023 and increase in Export Sales from ₹ 187.77 million in Fiscal 2022 to ₹ 3776.73 million in Fiscal 2023.

Other Income

Our other income increased by 1160.14% from ₹ 3.65 million in Fiscal 2022 to ₹ 46.01 million in Fiscal 2023, primarily attributed to increase in interest received by 1842.53% from ₹ 0.39 million in Fiscal 2022 to ₹ 7.64 million in Fiscal 2023, increase in dividend received by 1053.78% from ₹ 2.57 million in Fiscal 2022 to ₹ 29.60 million in Fiscal 2023 and increase in insurance claim income by 32.92% from 0.69 in Fiscal 2022 to ₹ 0.92 million in Fiscal 2023.

Total Expenses

Our expenses in Fiscal 2023 increased by 139.09% from ₹ 4,827.84 million in Fiscal 2022 to ₹ 11,542.80 million in Fiscal 2023 primarily on account of the following reasons:

Cost of materials consumed

Our cost of materials consumed increased by 144.90% from ₹ 3,915.22 million in Fiscal 2022 to ₹ 9,588.56 million in Fiscal 2023, in line with increase in Revenue from Operations by 138.91% in Fiscal 2023. Our cost of materials consumed was 77.57% of the total income in the Fiscal 2022 compared to 79.27% in the Fiscal 2023.

Change in inventories

Change in inventories was ₹ (44.44) million in Fiscal 2022 as compared to ₹ 24.84 million in Fiscal 2023. Following table explains the Change in inventories of finished goods, work-in-progress and goods-in-transit.

(₹ in million)			
Particulars	Fiscal 2023	Fiscal 2022	Change %
Opening Stock			
Finished Goods	59.23	35.06	68.93
Stock in Trade	5.45	-	100.00
Work-in-Progress	3.15	1.44	119.86
Goods-in-transit	90.41	18.38	391.95
	158.25	54.88	188.39
Closing Stock			
Finished Goods	60.14	36.93	62.88
Work-in-Progress	5.81	1.46	297.68
Goods-in-transit	67.46	60.93	10.72
	133.41	99.32	34.33
Total	24.84	(44.44)	(155.89)

Employee benefits expense

Our employee benefits expense increased by 84.49% from ₹ 104.75 million in Fiscal 2022 to ₹ 193.25 million in Fiscal 2023, primarily attributed to increase in salaries and wages from ₹ 81.56 million in Fiscal 2022 to ₹ 165.03 million in Fiscal 2023, increase in director remuneration from 16.65 in Fiscal 2022 to ₹ 21.30 million in Fiscal 2023, and increase in gratuity expenses from 1.04 in Fiscal 2022 to ₹ 2.25 million in Fiscal 2023. However, the increase was marginally offset by decrease in staff welfare expense from ₹ 5.50 million in Fiscal 2022 to ₹ 4.60 million in Fiscal 2023.

Finance costs

Our finance costs increased by 7.93% from ₹ 90.85 million in Fiscal 2022 to ₹ 98.06 million in Fiscal 2023, primarily attributed to increase in other borrowing cost from ₹ 3.62 million in Fiscal 2022 to ₹ 11.29 million in Fiscal 2023. However, the decrease was marginally offset by increase in interest expenses from ₹ 87.24 million in Fiscal 2022 to ₹ 86.77 million in Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortization expense increased by increased by 31.47% from ₹ 90.17 million in Fiscal 2022 to ₹ 118.54 million in Fiscal 2023. Our gross carrying amount of property, plant and equipment increased by 52.04% from ₹ 1,510.79 million in Fiscal 2022 to ₹ 2,297.00 million in Fiscal 2023.

Other expenses

Our other expenses increased by 124.64% from ₹ 671.28 million in Fiscal 2022 to ₹ 1,507.94 million in Fiscal 2023, generally in line with the increase in business operations.

Below is the breakdown of our other expenses for Fiscal 2023 and Fiscal 2022

(₹ in million)			
Particulars	Fiscal 2023	Fiscal 2022	Change %
Power & Fuel consumed	1,080.13	425.10	154.09
Packing Material consumed	129.42	69.49	86.25
Stores and Consumables consumed	114.20	43.48	162.69
Repair & Maintenance – Plant & machinery	44.60	43.17	3.32
Professional & Consultancy Charges	14.03	7.13	96.87
Repairs & Maintenance – Others	16.51	35.66	(53.71)
Chemical Consumed	27.53	11.06	148.82
CSR	3.20	3.00	6.67
Other Factory Expenditure	25.02	9.08	175.50
Insurance Expenses	6.42	3.16	103.50

Particulars	Fiscal 2023	Fiscal 2022	Change %
Travelling and Conveyance Expenses	9.44	0.12	7746.39
Rates & Taxes	3.49	16.41	(78.75)
Administration & Other Misc. Expenses	18.78	0.23	7963.78
Stationery & Printing Expenses	2.18	0.32	590.56
Telephone, Internet, Postage, & Courier Expenses	2.68	0.34	682.24
Vehicle Expenses	1.90	0.87	118.96
Auditor's Remuneration	0.33	0.55	(40.00)
Rent	6.24	0.10	5871.01
Advertisement Expense	0.67	-	100.00
Other Expenses	1.17	2.02	(42.20)
Total	1507.94	671.28	124.64

The increase in Other Expenses was primarily attributed to the following:

- i. Power and fuel expense increased by 154.09% from ₹ 425.10 million in Fiscal 2022 to ₹ 1,080.13 million in Fiscal 2023. The increase was mainly on account of increase in business activity during the Fiscal 2023 as compared to Fiscal 2022
- ii. Packing material increased by 86.25% from ₹ 69.49 million in Fiscal 2022 to ₹ 129.42 million in Fiscal 2023. The increase was mainly on account of increase in business activity during the Fiscal 2023 as compared to Fiscal 2022.
- iii. Stores & Consumable Consumed increased by 162.69% from ₹ 43.48 million in Fiscal 2022 to ₹ 114.20 million in Fiscal 2023. The increase was mainly on account of increase in business activity during the Fiscal 2023 as compared to Fiscal 2022
- iv. Repair & Maintenance plant & machinery increased by 3.32% from ₹ 43.17 million in Fiscal 2022 to ₹ 44.60 million in Fiscal 2023.
- v. Professional & Consultancy Charges increased by 96.87% from ₹ 7.13 million in Fiscal 2022 to ₹ 14.03 million in Fiscal 2023
- vi. Chemical consumed by 148.82% from ₹ 11.06 million in Fiscal 2022 to ₹ 27.53 million in Fiscal 2023. The increase was mainly on account of increase in business activity during the Fiscal 2023 as compared to Fiscal 2022
- vii. CSR increased by 6.67% from ₹ 3.00 million in Fiscal 2022 to ₹ 3.20 million in Fiscal 2023
- viii. Other Factory Expenses increased by 175.50% from ₹ 9.08 million in Fiscal 2022 to ₹ 25.02 million in Fiscal 2023
- ix. Insurance Expenses increased by 103.50% from ₹ 3.16 million in Fiscal 2022 to ₹ 6.42 million in Fiscal 2023
- x. Travelling & Conveyance Expenses increased by 7746.39% from ₹ 0.12 million in Fiscal 2022 to ₹ 9.44 million in Fiscal 2023
- xi. Administration & Other Misc. Expenses increased by 7963.78% from ₹ 0.23 million in Fiscal 2022 to ₹ 18.78 million in Fiscal 2023
- xii. Stationery & printing expenses increased by 590.56% from ₹ 0.32 million in Fiscal 2022 to ₹ 2.18 million in Fiscal 2023

- xiii. Telephone, Internet, Postage & Courier Expenses increased by 682.24% from ₹ 0.34 million in Fiscal 2022 to ₹ 2.68 million in Fiscal 2023
- xiv. Vehicle Expenses increased by 118.96% from ₹ 0.87 million in Fiscal 2022 to ₹ 1.90 million in Fiscal 2023
- xv. Rent increased by 5871.01% from ₹ 0.10 million in Fiscal 2022 to ₹ 6.24 million in Fiscal 2023
- xvi. Advertisement expenses increased by 100% from ₹ NIL in Fiscal 2022 to ₹ 0.67 million in Fiscal 2023

However, the increase was partially offset by decrease in (i) Repairs & Maintenance - Others from ₹35.66 million in Fiscal 2022 to ₹16.51 million in Fiscal 2023, (ii) rates & taxes expenses from ₹16.41 million in Fiscal 2022 to ₹3.49 million in Fiscal 2023, (iii) auditor's remuneration from ₹0.55 million in Fiscal 2022 to ₹0.33 million in Fiscal 2023 amongst others.

Profit before tax

As a result of the foregoing, profit before tax increased by 151.96% from ₹ 219.83 million in Fiscal 2022 to ₹ 553.88 million in Fiscal 2023.

Tax expenses

Our tax expenses (including current tax and deferred tax) increased by 124.05% from ₹ 60.62 million in Fiscal 2022 to ₹ 135.83 million in Fiscal 2023. The increase in our tax expenses in Fiscal 2023 was primarily due to an increase in the profit before tax.

Profit for the year

As a result of the foregoing, our profit for the year increased by 162.58% from ₹ 159.21 million in Fiscal 2022 to ₹ 418.05 million in Fiscal 2023.

Cash Flows as per Restated Consolidated Financial Statements

The following table summarizes our cash flows for the periods indicated below:

	<i>(₹ in million)</i>		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from/ (used in) operating activities (A)	285.97	(60.17)	297.14
Net cash flow from/(used in) investing activities (B)	(368.90)	(713.88)	(44.99)
Net cash flow from/ (used in) financing activities (C)	51.98	830.35	(250.28)
Net increase/decrease in cash and cash equivalents (A+B+C)	(30.96)	56.30	1.87
Cash and cash equivalent at the beginning of the period/ year	62.70	6.43	4.56
Cash and cash equivalents at the end of the period/ year	31.75	62.70	6.43

Operating Activities

For Fiscal 2024

Our net cash generated from operating activities was ₹ 285.97 million for Fiscal 2024. Our operating profit before working capital changes was ₹ 1,116.13 million for Fiscal 2024, which was primarily adjusted by payment of income tax of ₹ 166.87 million, increase in inventories by ₹ 874.95 million, trade receivables by ₹ 267.04 million, bank balance other than cash and cash equivalents by ₹ 16.04 million, current assets by ₹ 221.28 million, trade

payable by ₹ 656.96 million, current taxes by ₹ 83.33 million, provision by ₹ 7.85 million and decrease in other financial assets by ₹ 6.17 million, other liabilities by ₹ 26.45 million, other financial liabilities by ₹ 11.84 million.

For Fiscal 2023

Our net cash used from operating activities was ₹ 60.17 million for Fiscal 2024. Our operating profit before working capital changes was ₹ 763.04 million for Fiscal 2024, which was primarily adjusted by payment of income tax of ₹ 53.76 million, increase in inventories by ₹ 138.82 million, trade receivables by ₹ 510.00 million, other financial assets by ₹ 23.08 million, current assets by ₹ 279.32 million, current taxes by ₹ 2.95 million, trade payable by ₹ 122.34 million, other liabilities by ₹ 16.90 million, provision by ₹ 12.77 million, other financial liabilities by ₹ 24.76 million, and decrease in bank balance other than cash and cash equivalents by ₹ 7.95 million

For Fiscal 2022

Our net cash generated from operating activities was ₹ 297.14 million for Fiscal 2022. Our operating profit before working capital changes was ₹ 396.89 million for Fiscal 2022, which was primarily adjusted by payment of income tax of ₹ 56.84 million, increase in trade receivables by ₹ 193.45 million, bank balance other than cash and cash equivalents by ₹ 11.60 million, trade payable by ₹ 85.67 million, other liabilities by ₹ 13.97 million, financial assets by ₹ 0.09 million, other financial liabilities by ₹ 2.00 million, provision by ₹ 1.48 million and decrease in inventories by ₹ 19.79 million, other financial assets by ₹ 0.20 million, current assets by ₹ 33.62 million, current taxes by ₹ 8.45 million.

Investing Activities

For Fiscal 2024

Net cash used in investing activities was ₹ 368.90 million for Fiscal 2024. This was primarily on account of purchase of property, plant, equipment and intangible assets amounting to ₹ 408.12 million, purchase of investment amounting to ₹ 1.91 million which was partially offset by proceeds from sale of asset of ₹ 27.78 million and finance income of ₹ 13.35 million.

For Fiscal 2023

Net cash used in investing activities was ₹ 713.88 million for Fiscal 2023. This was primarily on account of purchase of property, plant, equipment and intangible assets amounting to ₹ 746.51 million, purchase of investment amounting to ₹ 0.48 million which was partially offset by capital work in process of ₹ 23.56 million, proceeds from sale of asset of ₹ 1.88 million and finance income of ₹ 7.64 million.

For Fiscal 2022

Net cash used in investing activities was ₹ 44.99 million for Fiscal 2022. This was primarily on account of purchase of property, plant, equipment and intangible assets amounting to ₹ 17.80 million and repayment of loan of ₹ 27.58 million, which was partially offset by finance income of ₹ 0.39 million.

Financing Activities

For Fiscal 2024

Net cash generated from financing activities was ₹ 51.98 million for Fiscal 2024. This was primarily on account of proceed from short term borrowings of ₹ 192.97 million which was partially offset by repayment of long term borrowings of ₹ 33.61 million and finance cost of ₹ 107.38 million.

For Fiscal 2023

Net cash used in financing activities was ₹ 830.35 million for Fiscal 2023. This was primarily on account of increase in General Reserve of ₹ 495.71 million, securities premium of ₹ 30.05 million, proceed from short term

borrowings of ₹ 497.35 million, capital reserve of ₹ 16.03 million, retained earnings of ₹ 130.49 million, OCI of ₹ 5.23 million, capital redemption reserve of ₹ 0.25 million which was partially offset by repayment of long term borrowings of ₹ 232.59 million, issuance of share capital of ₹ 14.11 million and finance cost of ₹ 98.06 million.

For Fiscal 2022

Net cash used in financing activities was ₹ 250.28 million for Fiscal 2022. This was primarily on account of repayment of long term borrowings of ₹ 219.25 million and finance cost of ₹ 87.24 million, which was partially offset by proceed from short term borrowings of ₹ 56.21 million.

Financial Indebtedness

As at March 31, 2024 the total outstanding borrowings of our Company were ₹ 1,276.36 million as per *Restated Consolidated Financial Statements*. For further details, refer chapter titled “*Financial Indebtedness*” beginning on page 390 of this Red Herring Prospectus.

As per Restated Consolidated Financial Statements

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Long Term Borrowings (A)			
- From Banks & Financial Institution	263.39	313.41	225.98
- From Director's, their Relatives and Corporate	45.81	29.39	349.42
Short Term Borrowings (B)			
- From Banks & Financial Institution	794.17	561.55	146.80
Current Maturities of Long Term Borrowings (C)	172.99	212.64	130.04
Total (A)+(B)+(C)	1,276.36	1,117.00	852.24

Contingent Liabilities and Commitments

Contingent liabilities, to the extent not provided for, as of the below mentioned time periods, as determined in accordance with Ind AS 37, are described below

As per Restated Consolidated Financial Statements

	(₹ in million)		
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
I. Contingent liabilities			
Bank Guarantee given	45.54	48.13	21.93
Total	45.54	48.13	21.93
II. Capital Commitments			
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	432.00	7.43	150.61
Less advances paid	42.13	0.91	14.81
Total	389.87	6.52	135.80

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Changes in accounting policies in the last three Fiscals

There have been no changes in our accounting policies in Fiscals 2024, 2023 and 2022.

Quantitative and qualitative disclosures about market risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to foreign exchange risk, credit risk and liquidity risk in the normal course of our business.

Currency Risk

Our Company is exposed to currency risk mainly on account of export receivables in foreign currency. The major exposures of our Company are in U.S. dollars and EUR. Our Company hedge the foreign exchange exposure partly through forward foreign currency covers. Our Company does not use derivative financial instruments for trading or speculative purposes. For further information, see “*Principal factors affecting our results of operations*” on page 359.

Credit Risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result in a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. As of Fiscal 2024, 2023 and 2022, our restated trade receivables were ₹ 1,175.13 million, ₹ 912.04 million and ₹ 402.23 million respectively. For further information, see “*Risk Factors – Any delay in the collection of our dues and receivables from our clients may have a material and adverse effect on our results of operations and cash flows.*” on page 63.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Other Qualitative Factors

Significant Economic Changes

Other than as described above, to the best of the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations. For further details, please see “*Our Business*” and “*Risk Factors*” on pages 228 and 34 respectively.

Unusual or Infrequent Events of Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “— *Principal Factors Affecting Our Results of Operations*” on page 359 and the uncertainties described in the section titled “*Risk Factors*” on page 34. To our knowledge, except as described or anticipated in this Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described above and in “*Our Business*” and “*Risk Factors*” on pages 228 and 34, respectively, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New Products or Business Segments

Other than as disclosed in this section and in “*Our Business*” on page 228, as on the date of this Red Herring Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

Extent to which Material Increases in Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Fiscals are as described in “Management’s Discussion and Analysis of Financial Position and Results of Operations - Fiscal 2024 compared with Fiscal 2023 – Revenue from Operations” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations - Fiscal 2023 compared with Fiscal 2022 - Revenue from Operations*” above on page 357.

Seasonality

Our business is not seasonal in nature. However, during the months of March to May and September to December, maize harvesting in India is at its peak and purchase of maize usually takes place during such months for stocking purposes (Source: Frost & Sullivan Report). Due to this, our purchases are usually high during these months over other months of the year.

Significant dependence on a single or few suppliers or customers

For significant dependence on suppliers or customers of our Company, please refer to “*Risk Factors No. 13 – Our Company is dependent for its raw material requirement on a few number of raw material suppliers who are local farmers located near our Manufacturing Units and suppliers in ‘mandis’ which are un-organized marketplaces.*” on page 48 and “*Risk Factor No. 8 - Our Company in the usual course of business does not have any long term contracts with its customers and we rely on purchase orders for delivery of our products and our customers may cancel or modify their orders, change quantities, delay or change their sourcing strategy. Loss of one or more of our top customers or a reduction in their demand for our products or reduction in revenue derived from them may adversely affect our business, results of operations and financial condition.*” on page 40.

Competitive Conditions

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 34, 144 and 228 respectively.

Significant Developments after March 31, 2024, that may affect our future results of operations

Except as stated above and elsewhere in this Red Herring Prospectus, no developments have come to our attention since the date of the Restated Consolidated Financial Information as disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to materially and adversely affect our operations or trading or profitability, or the value of our assets or our ability to pay our liabilities within the next twelve months

FINANCIAL INDEBTEDNESS

Our Company has availed certain loans and financing facilities in the ordinary course of our business purposes such as, inter alia, meeting our working capital or operational requirements.

As on May 24, 2024, the aggregate outstanding borrowings of our Company amounted to ₹ 1,642.30 million on a consolidated basis, and a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of the financing arrangements entered into with the banks/ financial institutions:

Category of borrowing	Sanctioned amount as on May 24, 2024	Outstanding amount as on May 24, 2024
<i>(in ₹ million)</i>		
Fund-Based Borrowings		
Secured		
<i>Term loans</i>		
Karur Vysya Bank Limited	1,674.41	401.30
The Federal Bank Limited	750.00	-
<i>Cash Credit/Working capital demand loans</i>		
Karur Vysya Bank Limited	1,370.25	847.24
The Federal Bank Limited	250.00	99.87
Citi Bank	250.00	167.88
<i>Working capital term loans</i>		
Karur Vysya Bank Limited	11.80	7.48
<i>Vehicle loans</i>		
HDFC Bank Limited	15.74	7.56
Mercedes-Benz Financial Services India Pvt Ltd	8.43	7.22
Total secured borrowings (A)	4,330.63	1,538.55
Unsecured		
Loan from related parties	NA	32.99
Total unsecured borrowings (B)	NA	32.99
Total fund based borrowings (C) = (A+B)	4,330.63	1,571.54
Non-Fund based borrowings		
Secured		
<i>CEL</i>		
Karur Vysya Bank Limited	112.50	24.72
<i>Letter of credit</i>		
Karur Vysya Bank Limited	-	NIL
<i>Bank Guarantee</i>		
Karur Vysya Bank Limited	75.00	46.04
Total Non-Fund based borrowings(D)	187.50	70.76
Total Consolidated borrowings (C+D)	4,518.13	1642.30

As certified by M/s Nahta Jain & Associates, independent chartered accountants, vide their certificate dated May 24, 2024.

Principle terms of the borrowings availed the Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financial documentation executed by us in relation to indebtedness of our Company:

1. **Tenor:** The tenor of our working capital facilities typically ranges from 3 months to 12 months subject to renewal, whereas the term loan facilities availed by our Company typically has a tenor of 48 months to 99 months. For the vehicle loan availed by us, the tenor is 39 months to 48 months.
2. **Security:** For our secured borrowings, we are required to, inter alia:
 - i. Create charge on immovable fixed assets;
 - ii. Create charge on the present and future current and fixed assets of the Company;

iii. Furnish personal guarantees by our Promoters/ Directors;

3. **Rate of Interest:** The rate of interest charged by the lenders typically ranges from 7.25% p.a to 10.20% p.a. or at such other rates of interest that may be reset from time to time as per the agreement.

4. **Repayment:** The working capital facilities availed by our Company are repayable within a period of 3 to 12 months. Term loan facilities availed by our Company are repayable on the due date and on the terms and conditions as may be agreed between us and the respective lenders. Similarly, vehicle loans are repayable as per the terms and conditions agreed upon by us and the respective lenders.

5. **Key Covenants:**

- i. The Company has to obtain prior permission of the lender before raising any further loan/ availing any facilities against the assets offered as security for the facilities of the lender;
- ii. The Company has to intimate the lender at any time of raising any further loans/ availing any facilities from any other bank or institution;
- iii. Any change in shareholding/ capital structure/ directorship/ partnership/ ownership/ effect of any scheme of merger, amalgamation or reconstruction shall be undertaken with prior permission of the lender;
- iv. In case of delay or default in repayment of any of the facility/ies availed by the Company from the lenders or any other bank or financial institution, the Company shall not allow any pay out by way of salary to directors (other than professional directors)/ partners/ proprietors or by way of interest to other subordinated lenders or by way of dividend to shareholders;
- v. The Company shall keep the lenders informed of the happenings – any event likely to have a substantial effect on their stock, production, sales, profit etc. and such changes in the senior management, labour problems, go-down location, power cut, cases filed against the Borrower etc. along with the remedial measures proposed and also provide the details of any addition/ deletion of associate/ sister concerns.

6. **Events of Default:** *The following will constitute as an event of default:*

- i. If the Company fails to comply with the conditions specified in the sanction letters/ facility agreements; or
- ii. If the Company fails to promptly pay any amount owing to the lender as and when the same shall become due and payable, or
- iii. If the Company shall fail to duly observe or perform any obligation under the facility or under any other agreement with the lender; or
- iv. Any representation made by the Company to the lender which shall be found by lender to have been false at any time or misleading as of the date on which the same was made or deemed to be made; or
- v. The threat or apprehension of or the occurrence of any damage to or loss, theft, misappropriation or destruction of any of the secured assets or of any other security of the lender or of any assets of the Company or secured third party.
- vi. The occurrence of any event or condition which, in the lender's opinion, constitutes or could constitute a material adverse change in the business, financial condition or prospects of the Company or which, in the lender's opinion, materially and adversely affects the ability of the Borrower to perform any of its obligations to the lender, or
- vii. On the Company entering into any arrangement or composition with his/her/its/their creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Company; or
- viii. The Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so.

The details of events of default and key covenants provided above are indicative and there may be additional terms that may amount to an event of default and/ or constitute a restrictive covenant under the various borrowing arrangements entered into by us.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see “*Risk Factors – Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our business and financial condition.*” on page 64.

7. **Consequences of occurrence of events of default:**

In case of occurrence of events of default set out above, our lender may, among others:

- i. Right to Recall: It shall be lawful for the lender to recall the loan and demand the borrower to repay the entire outstanding dues at once; and
- ii. Right to enforce security

Unsecured Borrowings as on May 24, 2024

Lender	Amount outstanding (in ₹ million)	Purpose	Date of loan
Sambhav Starch Products Private Limited	31.33	Business purpose	October 28, 2022
Sanstar Gems & Jewels Private Limited	1.66	Business purpose	August 6, 2015

Guarantees extended by the Promoters

Our Promoters- Gouthamchand Sohanlal Chowdhary, Sambhav Gautam Chowdhary and Shreyans Gautam Chowdhary have extended personal guarantees for certain loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition. Our Promoters have entered into Agreement of Guarantee dated July 21, 2023 with Karur Vysya Bank Limited, Agreement of Guarantee dated January 19, 2017 with Karur Vysya Bank Limited, Agreement of Guarantee dated July 19, 2023 with Federal Bank Limited, Deed of Guarantee dated January 23, 2023 with Citi Bank Limited. One of our Promoters i.e., Sambhav Gautam Chowdhary has entered into agreement for loan and guarantee dated September 27, 2021 with HDFC Bank Limited. The table below sets forth the details of borrowings availed by our Company towards which the Promoters have extended personal guarantees.

Name of the Lender	Type of borrowing/ facility	Name of Promoter Selling Shareholder who has extended personal guarantee	Sanctioned Amount (in ₹ million)	Obligations on our Company	Amount outstanding as on May 24, 2024
Federal Bank Limited	Term Loan and working capital facilities	Gouthamchand Sohanlal Chowdhary,	1,000.00	-	99.87
Citi Bank	Working Capital	Sambhav Gautam Chowdhary	250.00	-	167.88
Karur Vysya Bank Limited	Term Loan, Working Capital	and Shreyans Gautam Chowdhary	3,243.96	-	1,326.78
HDFC Bank Limited	Auto Loans	Sambhav Gautam Chowdhary	15.74	-	7.56
Mercedes-Benz Financial Services India Private Limited	Auto Loan	-	8.43	-	7.22

For details, please refer to heading titled 'Details of guarantees given to third parties by Promoters offering their Equity Shares in the Offer' and risk factor no. 59 titled 'Our Promoters have extended personal guarantees for certain loan facilities availed by our Company. Revocation of any or all of these guarantees may adversely affect our business operations and financial condition' in chapters titled 'Risk Factors' and 'History and Certain Corporate Matters' on pages 66 and 262 of this RHP.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by any statutory or regulatory authorities involving the Relevant Parties; or (iii) claim involving our Company, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to the materiality policy approved by our Board in its meeting held on December 29, 2023 (“**Materiality Policy**”) (as disclosed herein below).*

*In accordance with the Materiality Policy, all outstanding litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes involving the Relevant Parties wherein (i) the aggregate monetary claim made by or against the Relevant Parties (individually or in the aggregate), in any such outstanding litigation, is equal to or in excess of an amount equivalent to 5 % of the total profit after tax, as per the Restated Consolidated Financial Statements for the Fiscal 2024 would be considered material for our Company (“**Threshold**”) (ii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, or (iii) the pending litigation where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed the Threshold, have been considered “material” and accordingly have been disclosed in this Red Herring Prospectus.*

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against any of our Promoters in the last five Fiscals immediately preceding the date of this Red Herring Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company/Group Company(ies).

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Companies from third parties (excluding notices issued by statutory or regulatory authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered “material” until such time that the Relevant Parties are impleaded as a defendant before any judicial or arbitral forum.

*Further, in accordance with the Materiality Policy, our Company has considered such creditors to be ‘material’, to whom the amount due is equal to or in excess of 5% of the trade payables of our Company as of March 31, 2024. The trade payables of our Company as on Fiscal 2024 was ₹ 959.77 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor individually exceeds ₹ 47.99 million as on March 31, 2024 as per the Restated Consolidated Financial Statements. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATIONS INVOLVING OUR COMPANY

Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Directors and Promoters, to the extent applicable, as on the date of this Red Herring Prospectus is provided below:

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved (₹ in million)
1.	Company						
	By the Company	3	Nil	Nil	Nil	Nil	4.65
	Against the Company	Nil	Nil	Nil	Nil	Nil	Nil
2.	*Directors (Other than Promoters)						
	By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
3.	Promoters						
	By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
4.	Subsidiary						
	By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

* Please refer to heading titled 'Other proceeding involving our Directors' in the chapter titled 'Outstanding Litigations and Material Developments' to page no. 396

i. Outstanding criminal proceedings

Criminal proceedings against our Company

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings filed against our Company.

Criminal proceedings initiated by our Company

- a) Our Company has filed a case against Mohmad Rubab Attar (“**Accused**”), proprietor of Mohammad Ali Kumkum Manufacturing vide case no. 36434/2020 before the Hon’ble Additional Chief Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque issued by the Accused for products provided by our Company. The matter is pending for adjudication. The aggregate amount involved in these matters is approximately ₹0.80 million.
- b) Our Company (erstwhile Sanstar Biopolymers Limited, now merged with Issuer Company) has filed a case against L&J Chemicals (“**Accused**”) vide case no. 2448/22 before the Hon’ble Ahmedabad Metro Magistrate under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque. The aggregate amount involved in these matters is approximately ₹0.77 million.
- c) Our Company (erstwhile Sanstar Biopolymers Limited, now merged with Issuer Company) has filed a case against Swastik Trading (“**Accused**”) vide case no. 3001774/2015 before the Hon’ble Ahmedabad Metro Magistrate under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque. The aggregate amount involved in these matters is approximately ₹ 3.08 million.

Other material proceedings

Civil proceedings against our Company

As on the date of this Red Herring Prospectus, there are no pending material civil proceedings filed against our Company which have been considered material in accordance with the Materiality Policy.

Civil proceedings initiated by our Company

As on the date of this Red Herring Prospectus, there are no pending civil proceedings initiated by our Company considered to be material in accordance with the Materiality Policy:

ii. Outstanding actions by Statutory Authorities or Regulatory Authorities

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Company.

iii. Outstanding tax proceedings

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Company.

LITIGATIONS INVOLVING OUR SUBSIDIARY

i. Outstanding Criminal Litigations involving our subsidiary(ies)

Criminal proceedings against our subsidiary(ies)

Nil

Criminal proceedings by our subsidiary(ies)

Nil

LITIGATIONS INVOLVING OUR PROMOTERS

i. Criminal proceedings involving our Promoters

Criminal proceedings against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

Criminal proceedings initiated by our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

ii. Other material proceedings involving by our Promoters

Civil proceedings against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against our Promoters.

Further, there are no disciplinary actions imposed by SEBI or any recognized stock exchanges against any of our Promoters and/or members of Promoter Group during the last five Fiscals immediately preceding the date of this RHP.

Civil proceedings initiated by our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Promoters.

iii. Outstanding actions by Statutory or Regulatory authorities against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Promoters

iv. Outstanding tax proceedings against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Promoters.

LITIGATIONS INVOLVING OUR DIRECTORS

i. Criminal litigations involving our Directors

Criminal proceedings against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

Criminal proceedings initiated by our directors

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

ii. Other material proceedings involving our Directors

Civil proceedings against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against our Directors

Civil proceedings initiated by our Directors

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Directors

iii. Outstanding actions by Statutory or Regulatory authorities against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Directors.

Further, there are no disciplinary actions imposed by SEBI or any recognized stock exchanges against any of our Directors during the last five Fiscals immediately preceding the date of this RHP.

iv. Outstanding tax proceedings against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Directors.

v. Other proceeding involving our Directors

Sejal Raunak Agrawal, one of the Independent Directors of our Company, was appointed as the Resolution Professional ("RP") for a Corporate Debtor before the National Company Law Tribunal, Ahmedabad Bench ("Bench") in relation the application filed by the Applicant seeking initiation of corporate insolvency resolution process against the Corporate Debtor. The matter incident to the Interlocutory applications is currently pending.

LITIGATIONS INVOLVING OUR GROUP COMPANIES

i. Outstanding Criminal Litigations involving our Group Companies

Criminal proceedings against our Group Companies

As on date of this Red Herring Prospectus, there are no outstanding criminal proceedings against our Group Companies.

Criminal proceedings by our Group Companies

As on date of this Red Herring Prospectus, here are no outstanding criminal proceedings initiated by our Group Companies.

Further, there are no disciplinary actions imposed by SEBI or any recognized stock exchanges against our Group Companies during the last five Fiscals immediately preceding the date of this RHP.

LITIGATIONS INVOLVING OUR SUBSIDIARY

ii. Outstanding Criminal Litigations involving our subsidiary(ies)

Criminal proceedings against our Subsidiary

Nil

Criminal proceedings by our Subsidiary

Nil

Further, there are no disciplinary actions imposed by SEBI or any recognized stock exchanges against our Subsidiary during the last five Fiscals immediately preceding the date of this RHP.

Outstanding dues to creditors

In accordance with the Materiality Policy, our Company has considered such creditors material to whom the amount due is equal to or in excess of 5% of the trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, *i.e.*, ₹ 47.99 million, as of March 31, 2024 (“**Material Creditors**”).

The details of the total outstanding over dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as March 31, 2024 is as set forth below:

As per the Restated Consolidated Financial Statements

	<i>(in ₹ million)</i>	
Types of Creditors	Number of Creditors	Amount involved
Micro, small and medium enterprises*	21	6.39
Material Creditors	1	612.24
Other Creditors [#]	285	341.14
Total	307	959.77

*As defined under the Micro, Small and Medium Enterprises Development Act, 2006.

[#] Including provisions and unbilled dues.

*As certified by our M/s S.C. Bapna & Associates, Chartered Accountants, Statutory Auditor of our Company, by way of their certificate dated May 21, 2024.

Details pertaining to outstanding over dues to material creditors, if any, along with names and amounts involved for each such material creditor shall be made available on the website of our Company at <https://www.sanstar.in/>.

Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Position and Results of Operations– Significant Developments Occurring after March 31, 2024*” on page 389, no circumstances have arisen since March 31, 2024, the date of the last Restated Consolidated Financial Statements disclosed in this Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "*Key Industrial Regulations and Policies*" on page 255.

Material Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*", beginning on page 404.

I. Approvals in relation to incorporation of our Company

1. Certificate of incorporation under the name '*Continental Papers Limited*' issued by Registrar of Companies, Delhi & Haryana on February 26, 1982.
2. Fresh certificate of incorporation consequent upon change of name from '*Continental Papers Limited*' to '*Sanstar Limited*' issued by Registrar of Companies, National Capital Territory of Delhi and Haryana on April 2, 2012.
3. Fresh certificate of incorporation consequent upon change of registered office from pursuant to change of registered office from Delhi to Ahmedabad issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli on November 3, 2012.
4. The corporate identification number of our Company is U15400GJ1982PLC072555.
5. The Legal Identifier Number of the Company is 33580023LU1RLIZOKJ88.

Material approvals obtained in relation to our business

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

a) Approvals under Food Safety and Standards Authority Act, 2006

- i. License dated April 8, 2024 bearing license number 10018022007694 under Food Safety and Standards Act, 2006 issued by Food Safety and Standards Authority of India, Government of India (Maharashtra) for Manufacturer, Repacker, Trade/Retail valid up to June 11, 2025 for our Dhule Facility.
- ii. License dated April 04, 2022 bearing license number 10020021005076 under Food Safety and Standards Act, 2006 issued by Food Safety and Standards Authority of India, Government of India (Gujarat) for Trade/Retail – Importer valid up to January 02, 2026 for our Kutch Facility.
- iii. License dated November 25, 2019 bearing license number 10013021000938 under Food Safety and Standards Act, 2006 issued by Food Safety and Standards Authority of India, Government of India (Gujarat) for General Manufacturing valid up to December 01, 2024 for our Kutch Facility.

b) Foreign trade approvals

- i. Importer-Exporter Code (IEC) number 0812017943 issued by Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India on December 5, 2012.
- ii. Certificate of recognition as Two Star Export House issued to Sanstar Limited on October 26, 2023 by the Ministry of Commerce and Industry, Directorate General of Foreign Trade.
- iii. Certificate of recognition as Three Star Export House issued to Sanstar Biopolymers Limited on October 23, 2023 by the Ministry of Commerce and Industry, Directorate General of Foreign Trade.

c) Tax related approvals

Sr. no	Particulars	Validity
1.	Permanent account number issued by Income Tax Department, Government of India is AAACC1062D	Permanent
2.	Tax deduction account number issued by Income Tax Department, Government of India is AHMS22200D	Permanent
3.	GST Registration Certificate dated February 23, 2021 bearing registration number 27AAACC1062D1ZA (Dhule Facility) issued by Ministry of Commerce, Government of India	Permanent
4.	GST Registration Certificate dated January 4, 2024 bearing registration number 24AAACC1062D3ZE (Kutch Facility) issued by Ministry of Commerce, Government of India	Permanent
5.	Professional Tax Registration Certificate bearing registration number 27290914159P issued by Maharashtra Sales Tax Department on February 26, 2013.	Permanent
6.	Authorized Economic Operator MSME Certificate (Importer & Exporter) dated September 25, 2023 bearing certificate number IN AACCS7445N1F233 issued by Central Board of Indirect Taxes and Customs for IEC number 0803013051. Authorized Economic Operator MSME Certificate dated May 22, 2023 bearing certificate number IN AAACC1062D1F238 (Exporter) issued by Central Board of Indirect Taxes and Customs for IEC number 0812017943.	3 years as per CBIC Circular dated July 31, 2021 (18/2021)
7.	Self-Sealing Permission dated June 23, 2021 bearing number S/13-47/EPC-I/SS/2021-22 issued by Office of Commissioner of Customs House, Kandla.	Permanent

d) Labour related approvals

- i. Allotment letter for allotment of code no. 25000085100000999 issued under the Employees State Insurance Act, 1948 by the Employees' State Insurance Corporation, India.
- ii. Certificate of registration bearing registration number 2220900710023467 dated on February 22, 2024 under the Contract Labour (Regulation & Abolition Act), 1970 issued by the Department of Labour, Maharashtra for the Dhule Facility.
- iii. Provident fund code intimation letter dated March 18, 2015 for allotment of code number – GJVAT0051519000 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
- iv. Registration certificate dated January 24, 2024 bearing registration number PII/PTMN/4000987/0278090(PRITAM-NAGAR) issued by Amdavad Municipal Corporation under Rule 5 of Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019.

e) Material approvals in relation to our Dhule Facility

Sr. No.	Particulars	Issuing authority	Date of Issue/ Renewal	Validity
i.	Factory registration and license to work a factory issued under Rule 6 and Rule 8 of Maharashtra Factories Rules, 1963.	Directorate of Industrial Safety and Health, Maharashtra, Government of India	November 9, 2020	December 31, 2025
ii.	Consent to operate with amalgamation of existing consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Maharashtra Pollution Control Board	November 23, 2023	December 31, 2026
iii.	Consent to Establish Biogas Genset issued under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Maharashtra Pollution Control Board	January 13, 2022	-
iv.	Consent to Establish for expansion under the RED category Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Maharashtra Pollution Control Board	August 28, 2022	-
v.	Registration cum Membership certificate bearing registration number 184733 issued under Section 12 of The Agricultural and Processed Food Products Export Development Authority Act, 1985	Agricultural and Processed Foods Products Export Development Authority	March 16, 2022	March 14, 2027
vi.	Acknowledgement bearing number dated April 19, 2012 for manufacturing of liquid glucose, high maltose and corn syrup under Press Note no. 6 dated July 29, 1993 and Press Note no. 17 dated November 28, 1997 regarding significance, implications and legal status of filing of Industrial Entrepreneur Memorandum.	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	April 19, 2012	-
vii.	Acknowledgement bearing reference number IEM/A/ACK/5355/2023 dated May 25, 2023 under for manufacturing of Maize Starch, Liquid Glucose, Dextrose Monohydrate, Dextrose Anhydrous, Gluten, Bran and Maize Germ under Press Note no. 6 dated July 29, 1993 and Press Note no. 17 dated November 28, 1997.	Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade.	May 25, 2023	
viii.	Certificate of verification bearing LCR number CLM13641002 issued under Rule 14(3) of the Maharashtra a Legal Metrology (Enforcement) Rules, 2011.	Food, Civil Supply and Consumer Protection Department Legal Metrology Organisation	September 27, 2023	September 26, 2024
ix.	Certificate for use of a Boiler issued under Section 7 and Section 8 of The Boilers Act, 1923.	Directorate of Steam Boilers	September 12, 2023	September 06, 2024
x.	Authorized Economic Operator Certificate issued under Central Board of Indirect Taxed and Customs Circular No. 33/2016-Customs dated July 22, 2016.	Directorate of International Customs	May 22, 2023	-
xi.	Extended Producer Responsibility Certificate issued under Plastic Waste Management Rules, 2016.	Central Pollution Control Board, Ministry of Environment, Forest and Climate Change	June 09, 2023	-
xii.	Approval for expansion under the Scheme of Creation/Expansion for Food Processing & Preservation Capacities	Ministry of Food Processing Industries	January 24, 2023	-

Sr. No.	Particulars	Issuing authority	Date of Issue/ Renewal	Validity
xiii.	Eligibility Certificate for mega project bearing number DI/PSI-2007/Mega Project/EC-482/2020/B6065 issued under Package Scheme of Incentives – 2007.	Additional Director of Industries for Development Commissioner	March 19, 2020	-
xiv.	Consent to establish part expansion under the Water (Prevention & Control of Pollution) Act, 1974 & Air (Prevention and Control of Pollution) Act, 1981 and authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.	Maharashtra Pollution Control Board	March 3, 2024	-

f) Material approvals in relation to the Kutch Facility*

Sr. No.	Particulars	Issuing authority	Date of Issue/Renewal	Validity
i.	License to work a factory bearing registration number 251/15321/2005 and license number 25397 under the Factories Act, 1948.	Directorate of Industrial Safety and Health, Gujarat	November 23, 2023	December 31, 2028
ii.	Consolidated Consent & Authorization under the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 the Air (Prevention and Control of Pollution) Act, 1981.	Gujarat Pollution Control Board	July 07, 2021	April 14, 2030
iii.	Registration cum Membership certificate bearing registration number 155766 issued under Section 12 of The Agricultural and Processed Food Products Export Development Authority Act, 1985.	Agricultural and Processed Foods Products Export Development Authority	August 04, 2022	December 01, 2024
iv.	Registration certificate of generating sets under Gujarat Electricity Duty Act, 1958	The Collector of Electricity Duty, Gandhinagar	-	-
v.	Extended Producer Responsibility Certificate issued under Plastic Waste Management Rules, 2016.	Central Pollution Control Board, Ministry of Environment, Forest and Climate Change	June 16, 2023	-
vi.	Certificate of verification bearing certificate number 2803201/KUT/2023/01 issued under Rule 16(3) of the Gujarat Legal Metrology (Enforcement) Rules, 2011.	Office of Controller – Legal Metrology Gujarat State	October 25, 2023	October 25, 2024
vii.	Certificate for use of a Boiler (Water Tube – Power Boiler) issued under Section 7 and Section 8 of The Boilers Act, 1923.	Gujarat Boiler Inspection Department	October 12, 2023	October 12, 2024
viii.	Certificate for use of a Boiler (Water Tube – Process Boiler) issued under Section 7 and Section 8 of The Boilers Act, 1923.	Gujarat Boiler Inspection Department	April 29, 2023	[^] Refer the note below

*Pursuant to the Scheme of Amalgamation entered into between our Company and Sanstar Biopolymers Limited ('Transferor Company') under Section 232 of the Companies Act, 2013 and approved by the NCLT, Ahmedabad vide order dated November 23, 2023, all the licenses/consents/permits/ approvals forming part of the Transferor Company's Undertaking would need to be transferred and assigned in the name of our Company. The Company is in the process of filing applications before applicable authorities for the same. For further details, please refer to risk factor no 21 titled 'We are in process of transferring and assigning certain registrations, licenses, approvals, consents and permissions held in the name of Sanstar Biopolymers Limited ('Transferor Company') pursuant to the Scheme of Amalgamation entered into by Sanstar Limited ('Company'/'Transferee Company') and Transferor Company under 232 of the Companies Act, 2013 and any failure to do so may lead to delay of our operations having an adverse impact on business, financial condition, results of operations and prospects' in the chapter titled 'Risk Factors' on page 49.

[^]Certificate for use of a Boiler (Water Tube – Process Boiler) issued under Section 7 and Section 8 of The Boilers Act, 1923 for our standby/substitute boiler no. GT-4994 at the Kutch Facility has expired on April 24, 2024. Our Company is in process of repairing the ducting and insulation system of its standby/substitute boiler no. GT-4994 at the Kutch Facility. Further, our Company vide its letter dated April 10, 2024 has requested the Assistant Director of Boilers Gandhidham, Kutch to conduct the routine annual inspection subsequent to completing the ducting and insulation repair work of the standby/additional boiler is completed.

II. Quality Related Approvals


Sr. No.	Particulars	Issuing authority	Date of Issue	Validity
i.	Certificate of Registration of quality management system for manufacturing and supply (cleaning, stepping, washing, separation, conversion, neutralization, drying) of maize (corn), starch, liquid glucose/maltose/dextrose, maltodextrin, high maltose corn syrup (HMCS), dextrose monohydrate, tapioca starch, potato starch and modified starch and its packing in HDPE.	Times Certification Services U.K. Limited	July 02, 2024	July 02, 2027

III. Material approvals in relation to our subsidiary(ies)

Nil


IV. Intellectual Property related approvals



As on date of this Red Herring Prospectus, our Company has the following trademarks:

Sr. No.	Particulars	Registration Status	Trademark number	Trademark Type	Class	Proprietor Name	Date of Expiry
i.	GLASS-O-TEX	Registered	3629605	Word	30	Sanstar Biopolymers Limited*	September 7, 2027
ii.	 Skrubber Bx	Accepted & Advertised	5893104	Device	11	Sanstar Limited	-

*Requisite form for change in proprietor name will be filed with the Trade Marks Registry in due course of time.

Application number 6194514 submitted to the Trade Marks Registry, Ahmedabad (“**Registry**”) for registration

 is objected on the grounds of the trademark being identical with that of the erstwhile Sanstar Biopolymers Limited (now merged with our Company pursuant to the Scheme of Amalgamation, approved by NCLT, Ahmedabad *vide* order dated November 23, 2023). Further, objections have also been raised by the

Registry for application number 6094283 and 6094284 for our logos  and  respectively. In response to such objections, our Company has submitted replies dated December 20, 2023 with the Registry and presently, awaits approval for registration of such trademarks. For risks involved with respect to inability to obtain such registrations, please refer Risk factor No. 48 titled ‘Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us’ in the chapter titled ‘Risk Factors’ on page 61.

V. Material Approvals applied for but not received as on the date of this Red Herring Prospectus

- i. Renewal application bearing number 21-4/8562/GJ/IND/2022 filed with Central Ground Water Authority on June 25, 2024, for availing a No Objection Certificate bearing number CGWA/NOC/IND/ORIG/2022/16047 for ground water abstraction at the Kutch Facility.

VI. Material approvals expired and renewal to be applied for as on the date of this Red Herring Prospectus.

- i. Nil

VII. Transfer/name change of approvals of Sanstar Biopolymers Limited (“Transferor Company”) to our Company pursuant to the Scheme of Amalgamation (“Scheme”) entered into between our Company and Transferor Company.

- i. Pursuant to the Scheme, our Company has availed Goods and Service Tax Registration Certificate bearing registration number 24AAACC1062D3ZE. Further, our Company on January 23, 2024 paid an aggregate amount of ₹ 53.97 lakhs as stamp duty charges towards the transfer of Transferor Company’s immovable property to our Company. Subsequent to payment of applicable stamp duty charges, our Company has filed an application dated May 1, 2024 before Office of Mamlatdar, Bhachau for the amendment of land records reflecting transfer of Transferor Company’s immovable property to our Company. Moreover, ISO 9001:2015, HACCP and FSSAI certifications availed and held in the name of the Transferor Company have been transferred in our Company’s name.

For further details, please refer to risk factor no. 21 titled ‘*We are in process of transferring and assigning certain registrations, licenses, approvals, consents and permissions held in the name of Sanstar Biopolymers Limited (‘Transferor Company’) pursuant to the Scheme of Amalgamation entered into by Sanstar Limited (‘Company’/‘Transferee Company’) and Transferor Company under 232 of the Companies Act, 2013 and any failure to do so may lead to delay of our operations having an adverse impact on business, financial condition, results of operations and prospects*’ on page no. 49 of this RHP

VIII. Material approvals required but not applied for as on the date of this Red Herring Prospectus.

As on date of this Red Herring Prospectus, there are no material approvals which are required but not yet applied for or availed by our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated December 15, 2023 and June 27, 2024, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 18, 2023 and June 28, 2024 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated June 27, 2024.

The Board has approved and taken on record the Draft Red Herring Prospectus pursuant to resolution dated January 01, 2024.

The IPO Committee has approved and taken on record the Draft Red Herring Prospectus pursuant to resolution dated January 01, 2024.

The Board has approved and taken on record the Red Herring Prospectus pursuant to resolution dated July 12, 2024.

The IPO Committee has approved and taken on record the Red Herring Prospectus pursuant to resolution dated July 12, 2024.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated March 18, 2024 bearing reference number LO\IPO\BS\IP\520\2023-24 and March 18, 2024 bearing reference number NSE/LIST/3299 respectively.

Approval from Selling Shareholder

The Selling Shareholders have authorized and confirmed their participation in the Offer for Sale as stated below. The Equity Shares being offered for sale by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Red Herring Prospectus or are otherwise eligible for being offered for sale in terms of SEBI ICDR Regulations. For more details, please refer to chapter titled “*Capital Structure*” on page 93.

Sr.no	Name of Selling Shareholder	Equity Shares offered in Offer for Sale	Date of board resolution/authorization letter	Date of consent letter
1.	Gouthamchand Sohanlal Chowdhary	Up to 500,000	June 27, 2024	June 27, 2024
2.	Sambhav Gautam Chowdhary	Up to 500,000	June 27, 2024	June 27, 2024
3.	Shreyans Gautam Chowdhary	Up to 500,000	June 27, 2024	June 27, 2024
4.	Rani Gouthamchand Chowdhary	Up to 3,800,000	June 27, 2024	June 27, 2024
5.	Richa Sambhav Chowdhary	Up to 3,300,000	June 27, 2024	June 27, 2024
6.	Samiksha Shreyans Chowdhary	Up to 3,300,000	June 27, 2024	June 27, 2024

Selling Shareholders confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations, and they have held their respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

Prohibition by SEBI or other Governmental Authorities

We confirm that, in accordance with the applicable provisions of the SEBI ICDR Regulations, 2018.

- a. our Company, the Selling Shareholders, Directors, Promoter, Promoter Group, the persons in control of our Company and the persons in control of our Corporate Promoter are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or

direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Red Herring Prospectus;

- b. neither the Promoter or any Directors of our Company is a promoter or selling shareholder or director of any other company which is debarred from accessing the capital market by the Board or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Red Herring Prospectus;
- c. Further, neither our Company nor our Directors or Promoters are declared as a wilful defaulter or a fraudulent borrower;
- d. Further, none of our Promoters, Promoter Group Selling Shareholders or our Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

Directors associated with the Securities Market

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Red Herring Prospectus.

Our Promoters, Promoter Group Selling Shareholders or our Directors have not been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

Confirmation in relation to RBI Circular dated July 01, 2016

Neither our Company, nor our Promoters, Promoter Group Selling Shareholders or Directors have been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks nor select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

Prohibition by RBI

Neither our Company or Promoters nor our Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Neither our Company and none of our Promoters or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Fraud-Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable, as on the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has net tangible assets of at least ₹30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹ 150.00 million, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10.00 million in each of the three preceding full years (of 12 months each); and
- The name of our Company has not been changed been in the immediately preceding year and this year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Consolidated Financial Statements included in this Red Herring Prospectus as at and for the Fiscals 2024, 2023 and 2022 are set forth below:

<i>(₹ in million, unless otherwise stated)</i>			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Restated Net tangible assets ¹⁾	2,855.08	2,126.52	961.71
Restated Monetary assets ²⁾	54.53	69.43	18.24
Monetary assets, as restated as a % of net tangible assets, as restated	1.91	3.26	1.90
Pre-tax Operating profit/ (loss), ³⁾ as restated	860.50	605.92	307.03
Net worth ⁴⁾ as restated	2,159.12	1,492.81	489.67

1) "Net tangible assets" means the sum of all net assets of the Company as per the Restated Consolidated Financial Statements excluding Intangible Assets (as per IND AS- 38), Deferred Tax Assets (net) (as per IND AS-12) and Right of Use Assets (as per IND AS- 116) reduced by Total Liabilities (excluding lease liabilities and deferred tax liability) of the Company, as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015)

2) Monetary Assets comprises the sum of current and non-current cash and bank balance.

3) Operating Profits has been calculated as profit before tax excluding non-operating other income, finance cost and exceptional items.; The average restated operating profit of the Company for the Fiscals 2024, 2023 and 2022 is ₹ 591.15 million.

4) For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Our Company has operating profits in each of Fiscals 2024, 2023 and 2022 in terms of our Restated Consolidated Financial Statements.

Our Company confirms that it is not ineligible to make the Offer under Regulation 5 of the SEBI ICDR Regulations to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- Neither our Company, nor the Promoter Group Selling Shareholders nor our Promoters, nor entities forming part of our Promoter Group, nor any of our Directors are debarred from accessing the capital markets by the SEBI.
- Our Promoters nor the Promoter Group Selling Shareholders or our Directors are promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- Neither our Company or Promoters nor our Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful

defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

- d) Our Promoters or Directors have not been classified as a Fugitive Economic Offender under section 12 of the Fugitive Economic Offenders Act, 2018.
- e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus.
- f) Our Company, along with the registrar to the Company, has entered into tripartite agreements dated December 12, 2023 and November 9, 2023 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- g) The Equity Shares of our Company held by our Promoters and the Promoter Group Selling Shareholders are in dematerialized form; and
- h) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of filing of this Red Herring Prospectus
- i) Our Company proposes to fund the capital expenditure requirement upto ₹ 1,815.55 million for the proposed expansion of the Dhule Facility out of the Net Proceeds. Our Company has also availed term loan facilities having sanctioned limits of ₹ 750.00 million and ₹ 750.00 million from Federal Bank Limited and Karur Vysya Bank Limited respectively for the proposed expansion. Hence, in compliance of the Regulation 7(1)(e) read with Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for the proposed expansion, excluding the amount to be raised through the Net Proceeds. Hence, our Company confirms that it is in compliance with conditions specified in Regulation 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The Selling Shareholders have confirmed their compliance with Regulation 8 of the SEBI ICDR.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which, the entire application monies shall be refunded forthwith.

If our Company does not Allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delay period.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLM, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (“SEBI ICDR REGULATIONS”). THIS

REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 01, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with by the respective parties at the time of filing of this Red Herring Prospectus and Prospectus with the RoC in terms of Section 32 and 26 of the Companies Act, 2013.

Disclaimer from our Company, Selling Shareholders, our Directors and the BRLM

Our Company, the Selling Shareholders, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.sanstar.in or the respective websites of our entities forming part of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

It is clarified that neither the Selling Shareholders nor their respective affiliates, associates and officers, accept and/or undertake any responsibility for any statement made or undertakings provided other than those made by the respective Selling Shareholders, and only in relation to it and/or to the Equity Shares offered by such Selling Shareholders through the Offer for Sale and included in this Red Herring Prospectus and anyone placing reliance on any other source of information, including our Company's website www.sanstar.in would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise and the blocking of application amount by RIB bank on receipt of instruction from the Sponsor Bank on account of any error, omission or non-compliance by various parties involved in, or any fault, malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors,

officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Selling Shareholders, entities forming part of our Promoter Group and their respective directors and officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, Promoter Group Selling Shareholders, entities forming part of our Promoter Group, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term ‘affiliate’ means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is

outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

“BSE Limited (“the Exchange”) has given vide its letter dated March 18, 2024, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purposes of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3299 dated March 18, 2024, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within three Working Days of the Bid/Offer Closing Date.

If our Company does not Allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Selling Shareholders undertakes to provide such reasonable assistance as may be requested by our Company, in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of our Directors, our Promoters, the Selling Shareholders, our Company Secretary and Compliance Officer, our Chief Financial Officer, BRLM, Registrar to Offer, Legal Advisor, lenders to our Company, Statutory Auditors, Bankers to our Company, the Syndicate Members, the Public Offer Account Banker, the Escrow Collection Bank, Refund Banker, Sponsor Bank, Monitoring Agency to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for filing with RoC.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated May 21, 2024 from the Statutory Auditor, namely, M/s S.C. Bapna & Associates, Chartered Accountants, Statutory Auditor of our Company, to include their name as required

under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an ‘*expert*’ as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated May 16, 2024 on the Restated Consolidated Financial Statements; and (ii) their report dated May 21, 2024 on the statement of possible special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent dated December 30, 2023 from M/s.Nahta Jain & Associates, Chartered Accountants, to include their name as an independent chartered accountant under Section 26 of the Companies Act in this Red Herring Prospectus and other applicable provisions of the Companies Act and such consent has not been withdrawn as on date of this Red Herring Prospectus.

Further, our Company has received written consent dated April 19, 2024 from Kirtesh Kumar G Shah, as chartered engineer to include his name as an ‘*expert*’ as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated April 19, 2024 on installed capacity, actual utilisation at our Manufacturing Facilities and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

In addition, our Company has received written consent dated December 30, 2023 from PCS Alpesh Paliwal proprietor of Paliwal & Co. Company Secretaries and Registered Trademark Agents to include his name as an ‘*expert*’ as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of his search report dated November 15, 2023 and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Our Company has received written consent dated May 25, 2024 from K. Jatin & Co., Company Secretary to include their name as an ‘*expert*’ as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of their letter dated May 10, 2024 and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

The term ‘*expert*’ and consents as stated above, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Particulars regards previous public or rights issues by our Company during the last five years

Our Company has not made any rights issues during the five years immediately preceding the date of this Red Herring Prospectus.

Further, our Company has not made any public issues during the five years immediately preceding the date of this Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is an initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Capital issue during the previous three years by our Company, listed group companies, subsidiary(ies)/ associates

Other than as disclosed in “*Capital Structure – Equity Share capital history of our Company*” on page 94, our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

None of our Group Companies or the Subsidiary are listed on any stock exchange.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issue or public issue during the five years immediately preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Last issue of listed subsidiary or associates or corporate promoter

As on date of this Red Herring Prospectus, our Company does not have any associate company or a corporate promoter. Further, our subsidiary namely, Expression Commercial LLP is not a listed entity.

Price information and the track record of the past issues handled by the Book Running Lead Manager

The price information of past issues handled by Pantomath Capital Advisors Private Limited is as follows:

Sr. No	Issue Name	Issue Size (Rs. in Crores)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Sah Polymers Limited	66.30	65.00	January 12, 2023	85.00	-4.24% (-0.01%)	-12.11% (-1.14%)	13.59% (8.39%)
2.	Urban Enviro Waste Management limited	11.42	100.00	June 22, 2023	141.00	-27.66% (5.19%)	-5.39% (6.02%)	185.99% (14.10%)
3.	Aeroflex Industries Limited	351.00	108.00	August 31, 2023	197.40	-22.59% (1.54%)	-19.12% (2.07%)	-25.73% (12.28%)
4.	Vishnu Prakash R Punglia Limited	308.60	99.00	September 05, 2023	165.00	0.67% (-0.71%)	24.12% (3.54%)	7.58% (14.32%)
5.	Plaza Wires Limited	71.28	54.00	October 12, 2023	76.00	49.47% (-1.86%)	40.33% (8.85%)	24.87% (14.51%)
6.	Transteeel Seating Technologies Limited	49.98	70.00	November 06, 2023	88.90	3.82% (7.44%)	2.36% (12.58%)	-25.42% (15.78%)
7.	SAR Televenture Limited	24.75	55.00	November 08, 2023	110.25	70.16% (7.50%)	186.86% (11.97%)	101.48% (15.60%)
8.	Kronox Lab Sciences Limited	130.15	136	June 10, 2024	164.95	-3.61% (5.05%)	-	-

For details regarding the track record of the Book Running Lead Manager, as specified in the Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website www.pantomathgroup.com

Sources: All share price data is from www.bseindia.com and www.nseindia.com.

Note:

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index.
2. Prices on BSE/NSE are considered for all of the above calculations.

3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

Summary statement of price information of past public issues handled by Pantomath Capital Advisors Private Limited

Fiscal	Total no. of IPOs	Total funds raised (₹ in Cr)	No. of IPOs trading at discount on 30 th Calendar day from listing date			No. of IPOs trading at premium on 30 th Calendar day from listing date			No. of IPOs trading at discount on 180 th Calendar day from listing date			No. of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
22-23	1	66.30	-	-	1	-	-	-	-	-	-	-	-	1
23-24	6	817.03	-	1	1	1	1	2	-	2	-	2	-	2
24-25*	1	130.15	-	-	1	-	-	-	-	-	-	-	-	-

*Upto July 12, 2024

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager, i.e., <https://www.pantomathgroup.com>.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company and an Offer for Sale by Selling Shareholders, the Equity Shares are not listed on any Stock Exchanges. Thus, there is no stock market data available for the Equity Shares of our Company.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

Mechanism for Redressal of Investor Grievances

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In the event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLM shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay.

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances (other than from Anchor Investors) in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form

was submitted. The Bidder should give full details such as name of the sole or first Bidder, bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLM.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company, the Book Running Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or Registrar to the Offer or SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

The Company has obtained authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising, of three Directors, namely Aniket Sunil Talati, Sejal Ronak Agrawal and Gouthamchand Sohanlal Chowdhary to review and redress the shareholder's and investor's grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares For details of the Stakeholders' Relationship Committee, please refer to chapter titled "*Our Management*" on page 272 of this Red Herring Prospectus.

Our Company has also appointed Fagun Harsh Shah, Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre- Offer or post- Offer related problems at the following address:

Fagun Harsh Shah
Company Secretary and Compliance Officer
Registered Office:

Sanstar House, Near Parimal Under Bridge,
Opposite Suvidha Shopping Centre, Paldi,
Ahmedabad – 380 007, Gujarat, India.

Telephone: +91 79 26651819

E-mail: cs@sanstar.in

Website: <https://www.sanstar.in/>

Our Company has not received investor complaints during the period of three years preceding the date of this Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Red Herring Prospectus.

Selling Shareholders have authorised the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, the AoA, the SEBI Listing Regulations, the terms of this Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus, the CAN (for Anchor Investors), Allotment Advice and other terms and conditions as may be incorporated in the confirmation of allocation notes (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and listing and trading of securities, issued from time to time, by the SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

The Offer

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in accordance with applicable law. For further details in relation to Offer expenses, see “*Objects of the Offer*” on page 111.

Ranking of the Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of the right to receive dividend, voting and other corporate benefits. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 304 and 454 respectively.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our Equity Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and other Applicable Laws including any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared by our Company, after the date of Allotment including pursuant to the transfer of Equity Shares from the Offer for Sale), in this Offer will be payable to the Allottees for the entire year, in accordance with applicable law. For further information, please see the section entitled “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 304 and 454 respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 2 each and the Offer Price at the lower end of the Price Band is ₹ 90 per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ 95 per Equity Share (“**Cap Price**”). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot as decided by our Company, in consultation with the Book Running Lead Manager, and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and Ahmedabad edition of Prabhat (a widely circulated Gujarati daily newspaper) Gujarati being regional language of Gujarat, where our Registered Office and Corporate Office are located), and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price

and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

The Offer Price shall be determined by our Company (acting through the IPO Committee), in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable law, rules, regulations and the provisions of our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, or e-voting in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 454.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated November 9, 2023 amongst our Company, CDSL and Registrar to the Offer and;
- Tripartite agreement dated December 12, 2023 amongst our Company, NSDL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 150 Equity Shares to QIBs and RIBs. The Allotment to Non-Institutional Bidders shall not be less than the

minimum Non-Institutional application size. For the method of basis of allotment, see “*Offer Procedure*” on page 430.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra will have sole and exclusive jurisdiction in relation to this Offer.

Nomination facility to Bidder

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

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

Bid/Offer Programme

BID/OFFER OPENS ON	Friday, July 19, 2024 ⁽¹⁾
BID/OFFER CLOSES ON	Tuesday, July 23, 2024 ⁽²⁾⁽³⁾

- (1) *Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
- (2) *Our Company and Selling Shareholders, in consultation with the Book Running Lead Manager, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
- (3) *UPI mandate end time and date shall be at 5.00 pm on the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	Tuesday, July 23, 2024 (T)
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, July 24, 2024 (T+1)
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account**	On or about Thursday, July 25, 2024 (T+2)
Credit of Equity Shares to demat accounts of Allottees	On or about Thursday, July 25, 2024 (T+2)
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday, July 26, 2024 (T+3)

***In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 10 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/ 2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or BRLM.

While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such period as prescribed by the SEBI, the timetable may change due to various factors, such as extension of the Bid/Offer Period, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as prescribed by SEBI.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Offer Closing Date*	
Submission of Bids	Electronic Applications
	i. Online ASBA through 3-in-1 accounts –Upto 5.00 p.m. IST on T Day.
	ii. Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA etc. –Upto 4.00 p.m. IST on T Day.
	iii. Syndicate Non-Retail, Non-Individual Applications –Upto 3.00 p.m. IST on T Day.
Physical Applications	
	i. Bank ASBA –Upto 1.00 p.m. IST on T Day. ii. Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIs –Upto 12.00 p.m. IST on T Day and Syndicate members shall transfer such applications to banks before 1 p.m. IST on T Day
Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST

**UPI mandate end time and date shall be at 5.00 pm on the Bid/Offer Closing Date.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders; and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 3.00 p.m. IST on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday).

Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006, and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company in consultation with the Book Running Lead Manager reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company may, for

reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI Master Circular for Issue of Capital and Disclosure Requirements. If there is a delay beyond the prescribed time, our Company, to the extent applicable, shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law. Subject to applicable law, the Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder, in which case such liability shall be on a several and not joint basis.

The requirement of minimum subscription is not applicable to the Offer for Sale.

In case of undersubscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

In the event of an undersubscription in the Offer, the Equity Shares will be Allotted in the following order:

- i. such number of Equity Shares will first be Allotted by our Company such that 100% of the Fresh Issue portion is subscribed; and
- ii. once Equity Shares have been Allotted as per (i) above, all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder to the aggregate Offered Shares in the Offer for Sale).

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of odd lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Share capital of our Company, lock-in of our Promoter’ minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in “*Capital Structure*”, beginning on page 93 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For details, please refer to section titled “*Description of Equity Shares and Terms of the Articles of Association*”, beginning on page 454.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLM, reserve the right to not proceed with the Offer, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLM, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLM through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, as applicable, to unblock the Bid Amounts in the bank accounts of the ASBA Bidders and the BRLM shall notify the Escrow Collection Bank to release the Bid Amounts of the Anchor Investors and any other investors, as applicable, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders, in consultation with the BRLM, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

OFFER STRUCTURE

The Offer of up to 53,700,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising a Fresh Issue of up to 41,800,000 Equity Shares aggregating up to ₹ [●] million by our Company and an Offer for Sale of up to 11,900,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

This Offer is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulation.

Particulars	QIBs ⁽⁴⁾	Non-Institutional Bidders ⁽⁴⁾	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation ⁽¹⁾	Not more than 26,850,000 Equity Shares	Not less than 8,055,000 Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than 18,795,000 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, upto 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to the other QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Investors will be available for allocation, subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non - Institutional Investors

Particulars	QIBs ⁽⁴⁾	Non-Institutional Bidders ⁽⁴⁾	Retail Individual Bidders
Basis of Allotment if respective category is oversubscribed ⁽¹⁾	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to 537,000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to 10,203,000 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 16,110,000 Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>	<p>(a) One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹0.20 million and up to ₹1.00 million; and</p> <p>(b) two-thirds of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹1.00 million,</p> <p>Provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders For further details, please see “Offer Procedure” on page 430.</p> <p>The Allotment to each Non-Institutional Investor shall not be less than the minimum NIB application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations</p>	<p>Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, please see “Offer Procedure” beginning on page 430.</p>
Mode of Bidding ⁽²⁾	Through ASBA process only except for Anchor Investors (excluding the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism for an application size of up to ₹0.50 million)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares and in multiples of 150 Equity Shares so that the Bid Amount exceeds ₹ 0.20 million	Such number of Equity Shares and in multiples of 150 Equity Shares so that the Bid Amount exceeds ₹ 0.20 million	Such number of 150 Equity Shares and in multiples of 150 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of 150 Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Portion), subject to	Such number of Equity Shares in multiples of 150 Equity Shares so that the Bid does not exceed the size of the Offer, (excluding the QIB Portion), subject to applicable limits, applicable	Such number of Equity Shares in multiples of 150 Equity Shares so that the Bid Amount does not exceed ₹ 0.20 million.

Particulars	QIBs ⁽⁴⁾	Non-Institutional Bidders ⁽⁴⁾	Retail Individual Bidders
	applicable limits, applicable to each Bidder	to each Bidders.	
Allotment Lot	150 Equity Shares and in multiples of one Equity Share thereafter	150 Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Non-Institutional Portion	150 Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Bid Lot	150 Equity Shares and in multiples of 150 Equity Shares thereafter		
Mode of Allotment	Compulsorily in dematerialized form		
Trading Lot	One Equity Share		
Who can Apply ⁽³⁾	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance companies registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, FPIs who are individuals, corporate bodies and family offices which are classified as Category II FPIs and registered with SEBI.	Resident Indian Individuals, Eligible NRIs, HUF (in the name of Karta)
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. ⁽⁵⁾</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks through the UPI Mechanism (for RIBs or individual investors Bidding under the Non-Institutional Portion for an amount of more than ₹0.20 million and up to ₹0.50</p>		

Particulars	QIBs ⁽⁴⁾	Non-Institutional Bidders (4)	Retail Individual Bidders
	million) that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bid	Only through the ASBA process (except for Anchor Investors)		

⁽¹⁾ Assuming full subscription in the Offer

⁽²⁾ Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors and all modes through which the Applications are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.

⁽³⁾ The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer 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 all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, which price shall be determined by our Company in consultation with the BRLM. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 430.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Offer" on page 417.

⁽⁴⁾ If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares

⁽⁵⁾ Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

The Bids by FPIs with certain structures as described under the section "Offer Procedure" on page 430 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company (acting through the IPO Committee), in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see “*Terms of the Offer*” on page 417.

OFFER PROCEDURE

All Bidders should read the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid Cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of Confirmation of Allocation Note and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs. These circulars are effective for initial public offers opening on or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Red Herring Prospectus. The provisions of the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 are also deemed to form part of this Red Herring Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum on the Bid Amount for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking, unless otherwise prescribed under applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLM, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications

are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least 25% of the post-Offer paid-up Equity Share capital of our Company. Bidders will not have the option of being Allotted Equity Shares in physical form.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020, read with press releases dated June 25, 2021, and September 17, 2021 and March 30, 2022, read with press release dated March 28, 2023

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN, and UPI ID, for UPI Bidders Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with Applicable Law.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, inter alia, equity

shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The board of directors of the SEBI, on June 28, 2023, have approved the proposal to reduce the time period for listing of equity shares pursuant to a public issue from six Working Days to upto three Working Days. The above timeline will be applicable on a voluntary basis for public issues opening on or after September 1, 2023 and on a mandatory basis for public issues opening on or after December 1, 2023.

Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the SEBI UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The Phase III shall commence voluntarily for all public issues opening on or after September 1, 2023 and shall be mandatory for all public issues opening on or after December 1, 2023 as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”). In this phase, the time duration from public issue closure to listing is reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI

The Offer is being made under Phase III of the UPI (on a mandatory basis).

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the “**UPI Streamlining Circular**”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law.

Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint Sponsor Banks to act as a conduit between the Stock

Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

The Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

UPI Bidders using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than Anchor Investors and UPI Bidders using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Retail Individual Bidders authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis [^]	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis [^]	Blue
Anchor Investors ^{**}	White

*Excluding electronic Bid cum Application Forms

**Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM.

[^]Electronic Bid cum Application forms will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com)

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the

electronic bidding system of the Stock Exchanges. For ASBA Forms (other than through the UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate the UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI circular dated March 16, 2021, as amended pursuant to the SEBI circulars dated June 2, 2021 and April 20, 2022

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹0.5 million and NII and QIB bids above ₹0.2 million through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the UPI Circulars. The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

- (a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.

Participation by our Promoters, Promoter Group, the Book Running Lead Manager and the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Manager and Syndicate Members.

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as disclosed below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, the Promoters and members of their respective Promoter Groups, except to the extent of their respective Offered Shares, shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and their respective Promoter Groups shall not apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

Further, except for the sale of Equity Shares by the Selling Shareholders in the Offer, our Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to our Promoters or the members of the Promoter Group of our Company:

- (i) rights under a shareholders’ agreement or voting agreement entered into with our Promoters or the members of the Promoter Group of our Company;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on the Board.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds, exchange traded funds, or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (NRE Account), or Foreign Currency Non-Resident Accounts (FCNR Account), and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (NRO) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules.

- (a) In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.
- (b) For details of restrictions on investment by NRIs, please see the section entitled "*Restrictions on Foreign Ownership of Indian Securities*" on page 452.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs are required to be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids/applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more

than 50% or common control) must be below 10% of the post-Offer paid-up Equity Share capital on a fully diluted basis. Further, in terms of the applicable FEMA Rules the total holding by each FPI or an investor group cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, as applicable and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 10% of the total paid-up Equity Share capital on a fully diluted basis, as applicable.

If the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis).

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager (“MIM”) structure
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single

- investment manager
- Multiple branches in different jurisdictions of foreign bank registered as FPIs
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

For details of restrictions on investment by NRIs, please see the section entitled “*Restrictions on Foreign Ownership of Indian Securities*” on page 452.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (SEBI AIF Regulations) prescribe, amongst others, the investment restrictions on AIFs. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on FVCIs registered with SEBI.

The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules, amended from time to time.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (Banking Regulation Act), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (IRDA Investment Regulations), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate

of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason hereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the office of the BRLM.

Neither the (a) the BRLM or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, among the Anchor Investors and any BRLM.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.

Our Company, in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
- (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
- (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Red Herring Prospectus and as will be specified in the Prospectus. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

In accordance with RBI regulations, OCBs cannot participate in this Offer.

Certain Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network

and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Offer Period and withdraw or lower the size of their Bid(s) until Bid/ Offer Closing Date.

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
4. UPI Bidders bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
5. UPI Bidder using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
6. UPI Bidders shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only
9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Bidders, may submit their ASBA Forms with Syndicate Member, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
21. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
22. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;
23. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
24. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

25. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;
26. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment,
27. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
28. UPI Bidders using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website and is also appearing in 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website or 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019 is liable to be rejected;
29. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
30. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
31. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
32. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Offer Closing Date;
34. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI (at www.sebi.gov.in) or such other websites as updated from time to time;
37. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic

mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

38. UPI Bidders Bidding through the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
39. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 0.20 million would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 0.20 million would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit a Bid using UPI ID, if you are not an UPI Bidder;
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
7. Anchor Investors should not Bid through the ASBA process;
8. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
10. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;
13. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
16. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;
17. Do not submit the General Index Register (GIR) number instead of the PAN;
18. Do not Bid for a Bid Amount exceeding ₹ 0.20 million (for Bids by Retail Individual Investors)
19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
20. In case of ASBA Bidders, Syndicate Members shall ensure that they do not upload any Bids above ₹ 0.50 million.
21. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders in the UPI-linked bank account where funds for making the Bid are available;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Offer Closing Date;
23. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
24. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders;
25. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
26. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
28. Do not Bid on another Bid cum Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
30. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
31. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
32. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders); and
33. Do not Bid if you are an OCB.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Bids submitted without the signature of the First Bidder or sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹ 0.20 million;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Investors uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as informed to the Stock Exchanges.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, helpline details of the BRLM pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, “*General Information*” on page 84.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please see “*General Information*” on page 84.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLM and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer to public may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum Bid size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Anchor Investor Escrow Account

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “Sanstar Limited–Anchor Resident Account”
- (b) In case of Non-Resident Anchor Investors: “Sanstar Limited-Anchor Non-Resident Account”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, advertised in all

editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and Ahmedabad edition of Prabhat (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office and Corporate Office are located)

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Manager and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, advertised in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and Ahmedabad edition of Prabhat (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office and Corporate Office are located)

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

Our Company, the Selling Shareholders, the Underwriters, and the Registrar to the Offer intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price which shall be a date prior to the filing of Prospectus. After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- If our Company in consultation with the Book Running Lead Manager and the Selling Shareholders, withdraw the Offer after the Bid/Offer Closing Date but prior to Allotment and the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly; thereafter determines that it will proceed with a Offer of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges; and
- no further issue of the Equity Shares shall be made until the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly undertake the following:

- they are the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Red Herring Prospectus with SEBI;
- the Equity Shares offered for sale by the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- that it shall provide all reasonable co-operation as requested by our Company to the extent of the Offered Shares of each of the Selling Shareholder in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and completion of the necessary formalities for listing and commencement of trading of its portion of the Offered Shares on the Stock Exchanges and refund orders to the extent of their portion of the Offered Shares;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable support and cooperation to our Company and the BRLM in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to the Promoter Selling Shareholders, are statements which are specifically confirmed or undertaken by the Promoter Selling Shareholders in relation to themselves and the Offered Shares.

Utilization of Net Proceeds

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion (“**DPIIT**”) issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDIPolicy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company on a fully diluted basis under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see “*Offer Procedure*” on page 430.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The information does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations. Bidders are cautioned to consider any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

(THE COMPANIES ACT, 2013)

(COMPANY LIMITED BY SHARES)

**ARTICLES OF ASSOCIATION
OF
SANSTAR LIMITED**

PRELIMINARY

CONSTITUTION OF THE COMPANY

Article 1:

- (a) The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.
- (b) The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.

INTERPRETATION

Article 2: Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

A. DEFINITIONS

“**Act**” means the Companies Act, 2013, including any statutory modification or re-enactment or amendment, clarifications and notification thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.

“**Annual General Meeting**” means a general meeting of the members held as such, in accordance with the provisions of the Act.

“**Articles**” or “**Articles of Association**” mean the articles of association or re-enactment thereof for the time being in force of the Company.

“**Beneficial Owner**” means a person as defined by section 2(1)(a) of the Depositories Act, 1996.

“**The Board**” or the “**Board of Directors**” means the collective body of the Directors of the Company.

“**Capital**” means the share capital, for the time being, raised or authorised to be raised, for purposes of the Company.

“Company” or **“this Company”** means **“Sanstar Limited”**.

“Debenture” includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.

“Depositories Act 1996” means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

“Depository” means and includes a company as defined under section 2(1)(e) of the Depositories Act, 1996.

“Directors” means a director appointed to the Board of the Company.

“Dividend” includes any interim dividend.

“Extra-ordinary General Meeting” means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.

“In writing” or **“written”** include printing, lithography and other modes of representing or reproducing words in a visible form.

“Member” means member as defined under section 2(55) of the Companies Act, 2013

“Memorandum of Association” means the memorandum of association of the Company or re-enactment thereof for the time being in force.

“Office” means the registered office, for the time being, of the Company.

“Paid-up Capital” means paid up capital as defined under section 2(64) of the Act.

“Participant” means individual/institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.

“Promoters” means persons identified in accordance with the definition ascribed to such term in the Companies Act, 2013 and the regulations prescribed by SEBI.

“Register of Members” means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.

“The Registrar” means, Registrar as defined under section 2(75) of the Companies Act, 2013.

“Secretary” means a Company Secretary, within the meaning of clause (c) of sub section (1) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act

“Seal” means the common seal, for the time being, of the Company.

“SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

“SEBI Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Share” means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.

“Ordinary Resolution” and **“Special Resolution”** shall have the same meaning assigned thereto by the Act.

“Year” means a calendar year and “financial year” shall have the same meaning as assigned thereto by or under the Companies Act, 2013.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

GENERAL AUTHORITY

Article 3: Where the Act requires that the Company cannot undertake any act or exercise any rights or powers or privilege or authority, unless expressly authorised by its Articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power or privilege and to carry out such transaction as have been permitted by the Act.

CAPITAL AND INCREASE AND REDUCTION THEREOF

Article 4: The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.

Article 5: The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

- (i) Equity Share Capital: with voting rights; and/or with differential rights as to dividend, voting or otherwise; and
- (ii) Preference Share Capital.

Article 6: The Company, in a general meeting, may, from time to time, increase the capital by the creation of new Shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

Article 7: Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

Article 8: Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Article 9: On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:-

- (i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
- (ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act;
- (iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and
- (iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.

Article 10: Subject to the provisions of the Act, the Company may issue bonus shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

Article 11: The Company may issue any debentures, debenture-stock or other securities at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in a general meeting by a special resolution and subject to the provisions of the Act.

Article 12: Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.

Article 13: Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

Article 14: Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel Shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.

Article 15: Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

SHARES AND CERTIFICATES

Article 16: The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.

Article 17: The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

Article 18: Further Issue of Shares

- (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then, such further Shares shall be offered to:

- a) the persons who at on date specified under the applicable law, are holders of the Equity Shares of the Company, in proportion by sending a letter of offer subject to the conditions set below, as near as circumstances admit, to the capital paid up on those Shares at that date:
 - (i) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;
 - (ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (i) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him;
 - (iii) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company; or
 - b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under the law
- (b) Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder.
- (c) The notice referred to in sub-clause (a) of clause (i) hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue.
- (d) Nothing in sub-clause (c) of (i) hereof shall be deemed:
- a) To extend the time within the offer should be accepted; or
 - b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.
- (e) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans include a term containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.
- (f) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.

Article 19: Shares at the disposal of the Board

Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being, the Shares shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or discount, subject to Sections 53 and 54 of the Act, and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium or discount, subject to Sections

53 and 54 of the Act, during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.

Article 20: In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

Article 21: Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Register shall, for the purpose of these Articles, be a member.

Article 22: The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.

Article 23: Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

Article 24:

- (i) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within the time specified by the law applicable at the time. Every certificate of shares shall be in the form and manner specified in the Articles and in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.
- (ii) Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.
- (iii) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.

- (iv) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Article 25:

- (i) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall on any Share may carry interest but shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.
- (ii) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No. ___ sub-divided/replaced/on consolidation of Shares".
- (iii) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees in accordance with law applicable at the time and as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.
The provision of this Article shall mutatis mutandis apply to debentures of the Company. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE. Issued in lieu of Share Certificate No. ___" The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share certificate.
- (iv) Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (v) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.

(vi) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.

(vii) All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.

Article 26: If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.

Article 27: Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

Article 28: Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.

Article 29: Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the SEBI, Registrar and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buy-back') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

COMMISSION AND BROKERAGE

Article 30: Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act, and such commission may be satisfied in any such manner, including the allotment of the fully or partly paid up Shares or Debentures, as the case may be, as the Board thinks fit and proper.

Article 31: Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

CALLS

Article 32: The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them

respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Article 33: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Article 34: At least fourteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

Article 35: A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

Article 36: The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

Article 37: A call may be revoked or postponed at the discretion of Board.

Article 38: All calls shall be made on a uniform basis on all shares falling under the same class.

Article 39: The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

Article 40: If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member, the Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 41: Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.

Article 42: On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

Article 43: Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Article 44:

- (i) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and upon the moneys

so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.

- (ii) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable. The provisions of this Article shall mutatis mutandis apply to any calls on debentures of the Company.

LIEN

Article 45:

- (i) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.
- (ii) Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

Article 46: For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Article 47: The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

Article 48: A member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.

FORFEITURE OF SHARES

Article 49: If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Article 50: The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid.

The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

Article 51: If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

Article 52: When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Article 53: Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Article 54: Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

Article 55: The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

Article 56: A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

Article 57: Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, in respect of such Shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.

Article 58: Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

Article 59: The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

Article 60: No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. A common form of transfer shall be used. Every instrument of transfer shall be in writing and all provisions of the Act, the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case

may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 88, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

Article 61: Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.

Article 62: The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

Article 63: Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company. The Company shall within the time required under the law applicable at that time send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares.

Article 64: An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

Article 65: In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

Article 66: Subject to the provisions of Article 87 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 herein under, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

Article 67: No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.

Article 68: So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

Article 69: Subject to the provisions of Articles 64, 65 and 87 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as “The Transmission Article”.

Article 70: Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

Article 71: No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.

Article 72: The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

DEMATERIALIZATION OF SECURITIES

Article 73: Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996.

Article 74: Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form.

Article 75: Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other

marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply.

Article 76: If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares.

Article 77: All shares held by a Depository shall be dematerialised and shall be in a fungible form.

- (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

Article 78: Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.

Article 79: Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.

Article 80: Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Article 81: The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

Article 82: The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stock-holder".

Article 83: The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on

the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.

- (i) fact of the issue of the warrant.
- (ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and
- (iii) the date of the issue of the warrant.

Article 84: A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.

Article 85: The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

Article 86: The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.

Article 87: The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

NOMINATION BY SECURITY HOLDER

Article 88:

- (i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.
- (ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.
- (iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.

Article 89:

- (i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –
 - (a) to be registered himself as holder of the Share(s); or
 - (b) to make such transfer of the Share(s) as the deceased Shareholder could have made.
- (ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased shareholder.
- (iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.
- (iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

MEETING OF MEMBERS

Article 90:

- (i) The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.
- (ii) Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.
- (iii) Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (iv) Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.
- (v) At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of

such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

Article 91: The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.

Article 92: Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

Article 93: Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lesser period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lesser period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

Article 94: Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

Article 95: At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than

- (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon
- (ii) the declaration of dividend,
- (iii) appointment of directors in place of those retiring,
- (iv) the appointment of, and fixing the remuneration of, the Auditors,

is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

Article 96: The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

Article 97: No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Article 98: Subject to the provisions of the Act and these Articles, five (5) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.

Article 99: A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

Article 100: If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

Article 101: The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

Article 102: No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

Article 103: The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

Article 104: At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than ₹ 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Article 105: In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member if he is.

Article 106: If a poll is demanded as aforesaid, the same shall, subject to Article 108 hereunder, be taken at Ahmedabad or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to

be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

Article 107: Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutiniser from office and fill the vacancy so caused in the office of a scrutiniser arising from such removal or from any other cause.

Article 108: Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

Article 109: The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Article 110: No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

Article 111: Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

Article 112: On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

Article 113: A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

Article 114: If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

Article 115: Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights

and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

Article 116: Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

Article 117: Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

Article 118: An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Article 119: A member, present by proxy, shall be entitled to vote only on a poll.

Article 120: The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarised certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

Article 121: Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.

Article 122: A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

Article 123: No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

Article 124: The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.

Article 125:

- (i) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.

- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- (v) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (vii) Any such minutes shall be conclusive evidence of the proceedings recorded therein.
- (viii) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.
- (ix) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company

DIRECTORS

Article 126: Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors shall not be less than three nor more than fifteen, provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.

The Current directors of the Company are:

1. Gouthamchand Sohanlal Chowdhary
2. Sambhav Gautam Chowdhary
3. Shreyans Gautam Chowdhary
4. Aniket Sunil Talati
5. Atul Agarwal
6. Sejal Ronak Agrawal

Article 127:

- (i) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as **“the appointer”**) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred to as **“Promoters”**), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as **“Special Director”**) for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by

the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The Directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.

- (ii) The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.
- (iii) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

Article 128: If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.

Article 129: Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called “the Original Director”) during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

Article 130: Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.

Article 131: Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date, upto which the director in whose place he is appointed would have held Office if it had not been vacated by him.

Article 132: A director shall not be required to hold any qualification Share(s) in the Company.

Article 133:

- (i) Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013 and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.
- (ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.
- (iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;
 - (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (b) by way of commission, if the Company, by a special resolution, authorises such payment.
- (iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

Article 134: The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

Article 135: The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

Article 136: The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013

Article 137: The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the

case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.

Article 138: A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

Article 139:

- (i) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.
- (ii) Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

Article 140: A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

Article 141: Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

Article 142:

- (i) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.
- (ii) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-
 - (a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;
 - (b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (c) he is not qualified, or is disqualified, for appointment.
 - (d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
 - (e) Section 162 of the Act is applicable to the case.

Article 143: Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

Article 144:

- (i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
- (ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.
- (iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.

Article 145: The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

Article 146: Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

MANAGING DIRECTOR**Article 147:**

- (i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such remuneration and terms and conditions as the Board thinks fit, and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.

Article 148: Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder

PROCEEDINGS OF THE BOARD OF DIRECTORS

Article 149: Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith cease to hold the office of Managing Director.

Article 150: The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.

Article 151: Not less than seven (7) days' Notice of every meeting of the Board may be given, in writing, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to the provisions of section 173(3) meeting may be called at shorter notice.

Article 152: Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.

Article 153: If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.

Article 154: A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

Article 155: The Board may, from time to time, elect one of their members to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

Article 156: Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

Article 157: A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.

Article 158: applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

Article 159: The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Article 160: No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Article 161: All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

Article 162:

- (i) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (iii) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (vi) The minutes shall also contain :
 - (a) the names of the Directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.
- (vii) Nothing contained in sub-clauses (i) to (vi) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
 - (a) is, or could reasonably be regarded as, defamatory of any person;
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the Company;.

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

(viii) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

Article 163: Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -

- (i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;
- (iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;
- (iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;
- (v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;
- (vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,
- (vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (viii) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;
- (ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;
- (x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (xi) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such

investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;

- (xii) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;
- (xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;
- (xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;
- (xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.

- (xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.
- (xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.
- (xix) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;
- (xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;
- (xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

MANAGEMENT

Article 164

- (i) The Company can appoint one or more Managing Director/Directors and/or Wholetime Director/Directors at the same time.
- (ii) The Company shall not appoint more than one Manager at the same time.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

Article 165: Subject to the provisions of the Act,—

- (i) A chief executive officer, manager, company secretary, chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.

Article 166: A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Article 167: Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

SEAL

Article 168:

- (i) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.

The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable law.

DIVIDEND

Article 169: The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them, respectively.

Article 170: The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

Article 171: Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-

- (i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.

Article 172: The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.

Article 173: Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

Article 174: All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

Article 175: The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.

Article 176: Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

Article 177: No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.

Article 178: Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

Article 179: Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

Article 180:

- (i) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of “Sanstar Limited”. The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under sub section (1) of Section 125 of the Act.

Article 181: Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

Article 182: Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

Article 183:

- (i) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital

Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.

- (ii) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- (iii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

BORROWING POWERS

Article 184: Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

Article 185: The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.

Article 186: Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

ACCOUNTS

Article 187: The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company;
- (iv) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

Article 188: The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

Article 189: The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

Article 190: A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

Article 191: The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

DOCUMENTS AND NOTICES

Article 192:

- (i) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.

- (ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Article 193: A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

Article 194: A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.

Article 195: A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.

Article 196: Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.

Article 197: Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.

Article 198: Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

Article 199: All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

WINDING UP

Article 200: The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

INDEMNITY AND RESPONSIBILITY

Article 201: Subject to the provisions of the Act, every Director, Secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of

their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

Article 202: The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

SECRECY

Article 203:

- (i) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.
- (ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.

GENERAL POWER

Article 204:

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (02) years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and on the website of our Company at <https://www.sanstar.in/> from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

I. Material Contracts for the Offer

- i. Offer Agreement dated December 29, 2023 as amended pursuant to supplementary agreement dated July 6, 2024, entered into between our Company, the Selling Shareholders and the BRLM.
- ii. Registrar Agreement dated December 29, 2023 as amended pursuant to supplementary agreement dated July 6, 2024, entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
- iii. Escrow and Sponsor Bank Agreement dated July 6, 2024 amongst our Company, the Selling Shareholders, the BRLM, Escrow Collection Bank, Public Offer Account Bank, Sponsor Banks, Refund Bank, Syndicate Members and the Registrar to the Offer.
- iv. Share Escrow Agreement dated July 6, 2024 entered into between our Company, the Selling Shareholders and the Share Escrow Agent.
- v. Syndicate Agreement dated July 6, 2024 entered into amongst our Company, the Selling Shareholders, Registrar to the Offer, the BRLM and the Syndicate Members.
- vi. Underwriting Agreement dated [●] entered into amongst our Company, the Selling Shareholders and the Underwriters.
- vii. Monitoring Agency Agreement dated June 25, 2024 entered into between our Company and the Monitoring Agency.

II. Material Documents

- i. Certified copy of the updated Memorandum of Association and Articles of Association of our Company.
- ii. Certificate of incorporation dated February 26, 1982 issued by Registrar of Companies, Delhi & Haryana.
- iii. Fresh certificate of incorporation dated April 02, 2012 consequent upon change of name from '*Continental Papers Limited*' to '*Sanstar Limited*'.
- iv. Resolution of the Board dated December 15, 2023 and June 27, 2024 approving the Offer.
- v. Shareholders' special resolution dated December 18, 2023 and June 28, 2024 approving the Offer.
- vi. Resolution of the Board dated January 01, 2024 taking on record and approving the DRHP.
- vii. Resolution of the IPO Committee dated January 01, 2024, taking on record and approving the Draft Red Herring Prospectus.
- viii. Resolution of the Board dated July 12, 2024 taking on record and approving this Red Herring Prospectus.

- ix. Resolution of the IPO Committee dated July 12, 2024, taking on record and approving this Red Herring Prospectus.
- x. Copies of the annual reports of our Company for the Fiscals 2023, 2022 and 2021
- xi. The examination reports dated May 16, 2024 of the Statutory Auditor, on our Company's Restated Consolidated Financial Statements, included in this Red Herring Prospectus.
- xii. Statement of Tax Benefits dated May 21, 2024 from the Statutory Auditor included in this Red Herring Prospectus.
- xiii. Consent of the Promoters, the Selling Shareholders, Directors, the BRLM, Syndicate Members, Legal Counsel, Registrar to the Offer, Underwriters, Bankers to our Company, Lender, Public Offer Account Banker, Escrow Collection Bank, Refund Banker, Sponsor Bank, Monitoring Agency, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.
- xiv. Consent dated May 21, 2024 from the Statutory Auditor, namely, M/s S.C. Bapna & Associates, Chartered Accountant, Statutory Auditor of our Company, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an '*expert*' as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated May 16, 2024 on the Restated Consolidated Financial Statements; (ii) their report dated May 21, 2024 on the statement of possible special tax benefits and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
- xv. Consent dated December 30, 2023 from M/s. Nahta Jain & Associates, Chartered Accountants, to include their name as an independent chartered accountants under Section 26 of the Companies Act in this Red Herring Prospectus and other applicable provisions of the Companies Act and such consent has not been withdrawn as on date of this Red Herring Prospectus.
- xvi. Consent letter dated April 19, 2024, 2023 from Kirtesh Kumar G Shah, as chartered engineer to include his name as an '*expert*' as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated April 19, 2024 on installed capacity, actual utilisation at our Manufacturing Facilities.
- xvii. Company has received written consent dated December 30, 2023 from PCS Alpesh Paliwal proprietor of Paliwal & Co. Company Secretaries and Registered Trademark Agents to include his name as an '*expert*' as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of his search report dated November 15, 2023.
- xviii. Industry report titled "*Industry Report on Maize Based Speciality Products And Ingredient Solutions*" dated May 18, 2024 included in the relevant sections of this Red Herring Prospectus and also available on the website of our Company at <https://www.sanstar.in/>.
- xix. Consent from Frost & Sullivan dated May 20, 2024 issued for inclusion of their name and to reproduce the industry report titled "*Industry Report on Maize Based Speciality Products And Ingredient Solutions*" dated May 18, 2024 in this Red Herring Prospectus.
- xx. Tripartite Agreement dated December 12, 2023 entered into between our Company, NSDL and the Registrar to the Offer.
- xxi. Tripartite Agreement dated November 9, 2023 entered into between our Company, CDSL and the Registrar to the Offer.
- xxii. Due Diligence Certificate dated January 1, 2024 addressed to SEBI from the BRLM.
- xxiii. In principle listing approval dated March 18, 2024 issued by NSE.

- xxiv. In principle listing approval dated March 18, 2024 issued by BSE.
- xxv. SEBI initial observation letter dated January 25, 2024 and final observation letter bearing reference number SEBI/HO/CFD/RAC/DIL-1/OW/2024/15560/1 dated April 30, 2024.
- xxvi. Certificate dated May 22, 2024 issued by M/s S.C. Bapna & Associates, Chartered Accountants, Statutory Auditors of our Company, certifying the Key Performance Indicators disclosed in this Red Herring Prospectus.
- xxvii. Scheme of Amalgamation under S.230 to S.232 of the Companies Act, 2013 entered into between the '*Sanstar Limited*' ('**Transferee Company**') and '*Sanstar Biopolymers Limited*' ('**Transferor Company**') ('**Scheme of Amalgamation**') for transfer and vesting of the entire Transferor Company's Undertaking into our Company.
- xxviii. Valuation report dated March 31, 2022 on share exchange ratio of Sanstar Biopolymers Limited and Sanstar Limited Scheme of Amalgamation under S.230 to S.232 of the Companies Act, 2013 entered into between the '*Sanstar Limited*' ('**Transferee Company**') and '*Sanstar Biopolymers Limited*' ('**Transferor Company**') ('**Scheme of Amalgamation**').
- xxix. Company Petition bearing registration number C.P. (CAA) No. 41 of 2023 filed before Hon'ble National Company Law Tribunal, Ahmedabad under Section 230 of the Companies Act, 2013 for sanction of Scheme of Amalgamation.
- xxx. Company Application bearing registration number C.A. (CAA) No. 22 of 2023 filed before Hon'ble National Company Law Tribunal, Ahmedabad in relation to the Scheme of Amalgamation.
- xxxi. Copy of order dated November 23, 2023 passed by the Hon'ble National Company Law Tribunal, Ahmedabad sanctioning the Scheme of Amalgamation.
- xxxii. Terms of appointment of the Executive Directors of our Company.
- xxxiii. Company Commissioned TEV Report dated December 30, 2023 issued by Dun & Bradstreet Information Services (India) Private Limited.
- xxxiv. Company's intimation letter dated May 15, 2024 to RoC and head office of MCA intimating the details of missing records pursuant to the allotments of equity shares recorded in minutes of meetings of board of directors dated November 13, 1982, December 08, 1983, April 26, 1985 and March 28, 1994.
- xxxv. Certificate dated May 17, 2024 issued by M/s Nahta Jain & Associates, Chartered Accountants certifying the issuance of equity shares recorded in minutes of meeting of board of directors dated November 13, 1982, December 08, 1983, April 26, 1985 and March 28, 1994.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I, Gouthamchand Sohanlal Chowdhary, as Managing Director, under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY

Gouthamchand Sohanlal Chowdhary
Managing Director

Place: Ahmedabad

Date: July 12, 2024

DECLARATION

I, Sambhav Gautam Chowdhary, as the Joint-Managing Director, under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE JOINT MANAGING DIRECTOR OF OUR COMPANY

Sambhav Gautam Chowdhary
Joint Managing Director

Place: Ahmedabad

Date: July 12, 2024

DECLARATION

I, Shreyans Gautam Chowdhary, as the Joint-Managing Director, under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE JOINT MANAGING DIRECTOR OF OUR COMPANY

Shreyans Gautam Chowdhary
Joint Managing Director

Place: Ahmedabad
Date: July 12, 2024

DECLARATION

I, Aniket Sunil Talati as the Independent Director, under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Aniket Sunil Talati
Independent Director

Place: Ahmedabad
Date: July 12, 2024

DECLARATION

I, Atul Agarwal, as the Independent Director, undersigned, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Atul Agarwal
Independent Director

Place: Lucknow
Date: July 12, 2024

DECLARATION

I, Sejal Ronak Agrawal , as the Independent Director , under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY

Sejal Ronak Agrawal
Independent Director

Place: Ahmedabad
Date: July 12, 2024

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I, Gouthamchand Sohanlal Chowdhary, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, as a Promoter Selling Shareholder and our portion of the Offered Shares, are true and correct. Gouthamchand Sohanlal Chowdhary, assumes no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Red Herring Prospectus.

Gouthamchand Sohanlal Chowdhary
Promoter Selling Shareholder

Place: Ahmedabad

Date: July 12, 2024

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I, Sambhav Gautam Chowdhary, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, as a Promoter Selling Shareholder and our portion of the Offered Shares, are true and correct. Shreyans Gautam Chowdhary, assumes no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Red Herring Prospectus.

Sambhav Gautam Chowdhary
Promoter Selling Shareholder

Place: Ahmedabad

Date: July 12, 2024

DECLARATION BY PROMOTER SELLING SHAREHOLDER

I, Shreyans Gautam Chowdhary, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, as a Promoter Selling Shareholder and our portion of the Offered Shares, are true and correct. Shreyans Gautam Chowdhary, assumes no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Red Herring Prospectus.

Shreyans Gautam Chowdhary
Promoter Selling Shareholder

Place: Ahmedabad
Date: July 12, 2024

DECLARATION BY PROMOTER GROUP SELLING SHAREHOLDER

I, Rani Gouthamchand Chowdhary, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Red Herring Prospectus in relation to us, as a Promoter Group Selling Shareholder and our portion of the Offered Shares, are true and correct. Rani Gouthamchand Chowdhary, assumes no responsibility as a Promoter Group Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Red Herring Prospectus.

Rani Gouthamchand Chowdhary
Promoter Group Selling Shareholder

Place: Ahmedabad

Date: July 12, 2024

DECLARATION BY PROMOTER GROUP SELLING SHAREHOLDER

I, Richa Sambhav Chowdhary, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Red Herring Prospectus in relation to me, as a Promoter Group Selling Shareholder and my portion of the Offered Shares, are true and correct. Shreyans Gautam Chowdhary, assumes no responsibility as a Promoter Group Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Red Herring Prospectus.

Richa Sambhav Chowdhary
Promoter Group Selling Shareholder

Place: Ahmedabad
Date: July 12, 2024

DECLARATION BY PROMOTER GROUP SELLING SHAREHOLDER

I, Samiksha Shreyans Chowdhary, hereby confirm that all statements, disclosures and undertakings specifically made in this Red Herring Prospectus in relation to me, as a Promoter Group Selling Shareholder and my portion of the Offered Shares, are true and correct. Samiksha Shreyans Chowdhary, assumes no responsibility as a Promoter Group Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Red Herring Prospectus.

Samiksha Shreyans Chowdhary
Promoter Group Selling Shareholder

Place: Ahmedabad
Date: July 12, 2024

DECLARATION BY CHIEF FINANCIAL OFFICER

I, Harishkumar Shisupaldas Maheshwary, as the Chief Financial Officer, under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, the Securities Contracts (Regulation) Act, 1956 as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

Harishkumar Shisupaldas Maheshwary
Chief Financial Officer

Place: Ahmedabad

Date: July 12, 2024