Draft Letter of Offer
Dated: May 12, 2021
For Eligible Equity Shareholders only

VIKAS ECOTECH LIMITED

Our Company was originally incorporated as Vikas Leasing Limited in New Delhi on November 30, 1984 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company received the certificate for commencement of business on May 22, 1985. Subsequently, the name of our Company was changed to, Vikas Profin Limited and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on January 7, 2002. The name of the Company was changed once again to Vikas Globalone Limited and our Company received the fresh certificate of incorporation, which was granted by the Registrar of Companies, Delhi and Haryana at Delhi on December 31, 2008. Thereafter again, the name of our Company was changed to Vikas Ecotech Limited a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on October 21, 2015. For details of change in our name and the Registered Office of our Company, see "*General Information*" beginning on page 43 of this Draft Letter of Offer.

Registered and Corporate Office: 34/1 Vikas Apartments, East Punjabi Bagh, Delhi - 110026
Contact person: Prashant Sajwani, Company Secretary and Compliance Officer
Telephone: +91-11-43144444 | **E-mail id:** cs@vikasecotech.com | **Website**: **www.vikasecotech.com**
Corporate Identity Number: L65999DL1984PLC019465

PROMOTERS OF OUR COMPANY: MR. VIKAS GARG, VIKAS GARG HUF, MR. NAND KISHORE GARG, MS. SEEMA GARG, MR. VIVEK GARG, MR. ISHWAR GUPTA, NAND KISHORE GARG HUF, MR. VIKAS GARG (SUKRITI WELFARE TRUST), JAI KUMAR GARG HUF, MS. ASHA GHARG, MS. USHA GARG, MR. JAI KUMAR GARG, MR. VAIBHAV GARG, MS. SUKRITI GARG, AND VIKAS LIFECARE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF VIKAS ECOTECH LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹1 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE [(INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE)] NOT EXCEEDING ₹ 4,950 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 158 OF THIS DRAFT LETTER OF OFFER.
 # Assuming full subscription.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 22 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer 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 Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). Our Company has received "in- principle" approvals from BSE and NSE for listing the Equity Shares to be allotted pursuant to the Issue through their letters each dated **[●]**. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited ("**BSE**").

LEAD MANAGERS TO THE ISSUE	REGISTRAR TO THE ISSUE
Mark Corporate Advisors Private Limited **CIN**: U67190MH2008PTC181996 404/1, The Summit Business Bay, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai - 400 057. **Telephone:** +91 22 2612 3207/08 **E-mail id:** info@markcorporateadvisors.com **Investor Grievance e-mail id:** investorgrievance@markcorporateadvisors.com **Contact Person:** Mr. Manish Gaur **Website:** www.markcorporateadvisors.com **SEBI registration number:** INM000012128	**Alankit Assignments Limited** **CIN:** U74210DL1991PLC042569 4E/21, Alankit House, Jhandewalan Extension, New Delhi - 110055 **Telephone:** 011-42541234 / 23541234 **E-mail id:** info@alankit.com **Investor Grievance e-mail id:** vijayps1@alankit.com **Contact Person:** Mr. Vijay Pratap Singh **Website:** www.alankit.com **SEBI registration number**: INR000002532

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON#
[●]	[●]	[●]

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*
 # Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

[Intentionally left blank]

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

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 Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 54 and 7474, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Company and Industry Related Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Vikas Ecotech Limited incorporated under the Companies Act 1956, with its Registered and Corporate Office at 34/1 Vikas Apartments, East Punjabi Bagh, Delhi – 110026
"Articles of Association" or "Articles"	The articles of association of our Company, as amended from time to time
Audited Financial Statements	The audited financial statements of our Company for the year ended March 31, 2020 which comprises the balance sheet as at March 31, 2020, the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof or its duly authorised individuals
Directors	Directors on the Board, as may be appointed from time to time
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹ 1 each of our Company
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management*" beginning on page 71 of this Draft Letter of Offer.
Key Managerial Personnel or "KMP "	The key managerial personnel of our Company as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended from time to time
Promoters	The promoters of our Company, namely, Mr. Vikas Garg, Vikas Garg HUF, Mr. Nand Kishore Garg, Ms. Seema Garg, Mr. Vivek Garg, Mr. Ishwar Gupta, Nand Kishore Garg HUF, Mr. Vikas Garg (Sukriti Welfare Trust), Jai Kumar Garg HUF, Ms. Asha Garg, Ms. Usha Garg, Mr. Jai Kumar Garg, Mr. Vaibhav Garg, Ms. Sukriti Garg, and Vikas Lifecare Limited

Term	Description
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
"Registered and Corporate Office" or "Registered Office"	34/1 Vikas Apartments, East Punjabi Bagh, Delhi – 110026
Statutory Auditors	M/s KSMC & Associates, New Delhi
Unaudited December Financial Results	The limited review financial results of our Company as at and for the nine months period ended December 31, 2020 which comprises the statement of profit and loss
Unaudited Financial Results	The limited review financial results of our Company as at and for the nine months period ended December 31, 2020 which comprises the balance sheet as at December 31, 2020, the statement of profit and loss and the cash flow statement

Issue Related Terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
"Allotment", "Allot" or "Allotted"	Allotment of Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
"Applicant(s)" or "Investors"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of application i.e. Rs. [●] in respect of the Equity Shares applied for in the Issue at the Issue Price

Term	Description
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), the Allotment Account Bank(s) and the Refund Bank(s) to the Issue
Banker to the Issue Agreement	Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "*Terms of the Issue*" beginning on page 158 of this Draft Letter of Offer
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE
Eligible Equity Shareholder (s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [●] and the Renouncee(s)
ISIN	International securities identification number

Term	Description
Issue	This issue of up to [●] Equity Shares for cash at a price ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) not exceeding ₹ 4,950 Lakhs# on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record date that is on [●] #*Assuming full subscription*
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Equity Share
"Issue Proceeds" or "Gross Proceeds"	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 4950 Lakhs# #*Assuming full subscription*
Lead Manager	Mark Corporate Advisors Private Limited
"Draft Letter of Offer" or "DLOF"	The Draft letter of offer to be filed with the Stock Exchanges
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
MoU	MOU dated May 6, 2021 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 49 of this Draft Letter of Offer
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●]
"Qualified Institutional Buyers" or "QIBs"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
R-WAP	Registrar's web-based application platform accessible at www.alankit.com, instituted as an optional mechanism in accordance with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19,2021, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24 2020; and SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/ submitting online Application Forms by resident public Investors. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts

Term	Description
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [●]
"Registrar to the Issue" or "Registrar"	Alankit Assignments Limited.
Registrar Agreement	Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Willful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Business and Industry related Terms or Abbreviations

Term	Description
ATH	Aluminium Trihydrate
CPVC	Chlorinated Polyvinyl Chloride
EVA	Ethylene Vinyl Acetate
FMCG	Fast Moving Consumers Good
GDP	Gross Domestic Product
GVA	Gross Value Added
INR	Indian Rupee (₹)
MMT	Million Metric Tonnes

Term	Description
MoU	Memorandum of Understanding
MTM	Methyl Tin Mercaptide
MTPA	Metric Tonnes Per Annum
PE	Polyethylene
PP	Polypropylene
PVC	Polyvinyl chloride resins
R&D	Research and Development
TPR	Thermoplastic Rubber
TPE	Thermoplastic Elastomer
US FDA	United States Food and Drug Administration

Conventional and General Terms/Abbreviations

Term	Description
"₹", "Rs. ", "Rupees" or "INR"	Indian Rupees
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AUM	Assets under management
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19 / Novel Cornonavirus	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant’s identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account

Term	Description
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year", "Fiscal Year" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FMCG	Fast-moving consumer goods
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
"GoI" or "Government"	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
LAP	Loan Against Property
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
"Net Asset Value per Equity Share" or "NAV per Equity Share"	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NCD(s)	Non-convertible debentures
NHB	National housing bank
NPA(s)	Non-performing assets
NRE Account	Non-resident external account

Term	Description
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "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 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 FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Maharashtra at Mumbai
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
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 FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turn Around Time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Term	Description
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
"U.S.$ ", "USD" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
"USA", "U.S. " or "United States"	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES

REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Draft Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US$', '$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial Data

Unless stated otherwise, financial data in this Draft Letter of Offer is derived from the Audited Financial Statements, Unaudited December Financial Results which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Draft Letter of Offer.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Draft Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31.

In this Draft Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Draft Letter of Offer.

Currency Presentation

The amounts derived from financial statements included herein are represented in ₹ lakh, as presented in the Audited Financial Statements, and Unaudited December Financial Results.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakh.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor the Lead Manager nor any of their affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 22 of this Draft Letter of Offer.

Conversion rates for foreign currency:

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Sr. No.	Name of the Currency	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
1.	1 United States Dollar	73.50	75.39	69.17

(Source: RBI reference rate)

**Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.*

*****Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.***

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward- looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements and any projections contained in this Draft Letter of Offer (whether made by our Company or third parties) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward- looking statements include, among others:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Any disruption in our sources of funding or increase in costs of funding;
- Engagement in a highly competitive business and a failure to effectively compete;
- We are affected by volatility in interest rates, adversely affecting our net interest income;
- An adverse determination in an ongoing litigation to which Company is a party;
- A downturn in the utility of our products to the industries we cater to;
- A reduction in the demand of our products and/or competing products gaining wider market acceptance;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- An adverse change in the regulations governing our products and the products of our customers;
- A significant fall in the global price of our products and/or a significant rise in the global price of our raw materials; and
- A decrease in the demand for the products of our customers in which our Products are used and/or a downfall in production activities.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "*Risk Factors*" and "*Our Business*" beginning on pages 22 and 61 respectively of this Draft Letter of Offer.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer and neither our Company nor the Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the 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 Draft Letter of Offer, including, "*Objects of the Issue*", "*Our Business*", "*Outstanding Litigation and Defaults*" and "*Risk Factors*" beginning on pages 49, 61, 141, and 22 respectively of this Draft Letter of Offer.

Summary of Business

We are primarily engaged in the business of manufacturing of Specialty Chemicals focused on Specialty Chemical Additives and Specialty Polymer Compounds. Our Company is also ISO 9001:2015 certified company. Presently, our manufacturing facilities are operating at Shahjahanpur (Rajasthan) and Noida SEZ (Uttar Pradesh).

Objects of the Issue

The details of Issue proceeds are set forth in the following table:

Particulars	**Amount (in lakhs)**
Gross proceeds from the Issue#	4950.00*
Less: Adjustment of unsecured loans against the entitlement of promoters	500.00
Less: Estimated Issue related expenses	75.00
Net Proceeds from the Issue	**4375.00**

The intended use of the Net proceeds of the Issue by our company are set forth in the following table:

Particulars	**Amount (in lakhs)**
Meeting Working Capital Requirements	2805.00
Partial Repayment of Loan (LAP) of ICICI Bank	370.00
General Corporate Purposes	1200.00
Total Net Proceeds	**4375.00**

For further details, see "*Objects of the Issue"* beginning on page 49 of this Draft Letter of Offer.

Intention and extent of participation by our Promoters

Our Promoters have undertaken to subscribe to the full extent of their Rights Entitlements in the Issue and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group). Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings as on the date of this Draft Letter of Offer is set out below:

Particulars of pending litigations relating to the Company		Total numbers of pending litigation
(i)	Labour Cases filed against our Company	: Nil
(ii)	Labour Cases filed by our Company	: Nil
(iii)	Civil Cases filed against our Company	: 3
(iv)	Civil Cases filed by our Company	: 30
(v)	Criminal cases against our company	: 1
(vi)	Criminal cases filed by our company	: Nil
(vii)	Tax related matters	: Not Ascertainable*

* since it includes the TDS defaults for the "prior years"

For further details, see "*Outstanding Litigation and Defaults*" beginning on page 141 of this Draft Letter of Offer.

Risk Factors

For details, see "*Risk Factors*" beginning on page 22 of this Draft Letter of Offer.

Contingent liabilities

For details regarding our contingent liabilities as on December 31, 2020, see "*Financial Statements*" beginning on page 74 of this Draft Letter of Offer.

Related party transactions

For details regarding our related party transactions as per Ind AS 24, see "*Financial Statements*" beginning on page 74 of this Draft Letter of Offer.

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

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to "we", "us" "our" refers to our Company.

INTERNAL RISK FACTORS

<u>BUSINESS RELATED RISKS</u>

1. ***The novel coronavirus (COVID-19) pandemic outbreak and steps taken control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain*.**

The rapid spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the chemical and plastic industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. Currently, there is substantial medical uncertainty regarding COVID-19 and till any cure is found, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

At this point of time, our Company cannot predict by when our Company's operation shall resume to normalcy, or at all. Further if in case due to any consequent wave of Coronavirus, if long term lockdown is imposed in the country or the state in which we perform of business, we may face huge losses and our business operations could be severely impacted.

2. ***There are outstanding litigations involving our Company which, if determined against us, may adversely affect our business and financial condition.***

As on the date of this Draft Letter of Offer, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Such proceedings could divert the management's time and attention and consume financial resources in their defense or prosecution. We cannot assure you that these legal proceedings will be decided in favour of our Company, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

Particulars of ending litigations relating to the Company		Total number of pending litigation
(i)	Labour Cases filed against our Company	: Nil
(ii)	Labour Cases filed by our Company	: Nil
(iii)	Civil Cases filed against our Company	: 3
(iv)	Civil Cases filed by our Company	: 30
(v)	Criminal cases against our company#	: 1
(vi)	Criminal cases filed by our company	: Nil
(vii)	Tax related matters	: Not Ascertainable*

*since it includes the TDS defaults for the "prior years"

Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

For further details, please refer "Outstanding Litigation and Material Developments" at page 141 of this Draft Letter of Offer.

3. ***Any disturbance in or shutdown of our Manufacturing Facilities may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations.***

Our manufacturing operations are operational at Shahjahanpur (Rajasthan) and Noida SEZ (Uttar Pradesh). As on the date of this Prospectus, the manufacturing facilities are dedicated towards the manufacture of Specialty Chemical Addictives and Specialty Polymer Compounds. For further details, see "Our Business" on page 61 of this Draft Letter of Offer.

Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facility, which is subject to operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, localised social unrest and natural disasters. In the event there are any disruptions at our manufacturing facility, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, our ability to manufacture our products may be adversely affected.

Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing facility may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our manufacturing facility, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

4. ***Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Raw materials are subject to supply disruptions and price volatility caused by various factors such as the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as international government policies and regulatory sanctions.

We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. We do not have long-term contracts with our suppliers. We typically purchase raw materials on a purchase order basis. Consequently, we may be required to regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices. The absence of long-term supplier contracts subjects us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Further, we cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. Our suppliers may also be unable to provide us with sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. While, we typically sell our products to our customers on a purchase order basis, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

If we are unable to purchase the raw materials from such suppliers for any reason including due to cessation of operations by such suppliers, disputes with such suppliers, or if there is a substantial increase in the prices charged by such suppliers, there can be no assurance that we will be able to identify alternative suppliers for our raw materials at similar cost and other terms of purchase.

Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial condition.

5. ***Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

Our Company has entered into agreements for our borrowings with consortium of lenders (Punjab National Bank being the Lead Bank) and other lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure (including this present proposed Rights Issue), formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loan and unsecured loans, undertake guarantee obligations, which require our Company to obtain prior approval of the lenders for any of the above activities. We have applied to all the relevant lenders for consent/no objection certificate to undertake the Issue. As on date of this Draft Letter of Offer, we are yet to receive consents. Undertaking the Issue without such consents constitutes a breach of covenant under the relevant financing documents, which entitles the respective lender to consider this Issue as an event of default under the loan agreements and they may call up the entire outstanding amount and make it payable forthwith at their discretion. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with respect to any such breaches. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

6. ***Our clients operate in various industry segments/verticals and fluctuations in the performance of the industries in which our clients operate may result in a loss of clients, a decrease in the volume of work we undertake or the price at which we offer our services. This can further lead to dependency on a limited number of clients, which may expose us to a high risk of client concentration.***

For the period ended December 31, 2020 and FY ended March 31, 2020, our top ten customers contributed 88.62% and 41.10%, respectively and our top five customers contributed 70.71 % and 27.58%, respectively towards our revenue from operations, respectively. Our business operations are highly dependent on our customers and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

While we typically have long term relationships with our customers, as an industry practice, we do not enter into long terms agreements with most of our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers. The actual revenue earned by our Company may differ from the estimates of our management due to the absence of long-term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

A decline in our clients' business performance may lead to a corresponding decrease in demand for our product. We are also exposed to fluctuations in the performance of the industries in which our significant clients operate.

Our clients may also decide to reduce spending on services due to a changing economic environment and other factors relating to the industry in which they operate. For instance, in this period of pandemic wherein all the industries are facing a slowdown and cash crunch due to the lockdown and other restrictions imposed by several State Governments has resultant in a widespread impact on the industry. In view of the present situation, a number of our clients have halted their business operations which could prompt them to cease using our services, thereby resulting in loss of our market share. A loss of any of our significant clientele, a decrease in the volume of work our clients outsource to us or a decline in our prices may materially and adversely affect our business, operations, financial condition, results of operations and prospects.

7. ***We operate in a highly fragmented and competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.***

We operate in a highly competitive industry, dominated by a large number of organized and unorganized players. Increased competition from other organized and unorganized third-party logistics providers may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

Our success depends on our ability to anticipate, understand and address the preferences of our existing and prospective clients as well as to understand evolving industry trends and our failure to adequately do so could adversely affect our business.

Other factors that could affect our ability to maintain our levels of revenues and profitability include the development of an operational model similar or superior to ours by a competitor. Our inability to compete effectively could affect our ability to retain our existing clients or attract new clients which may in turn materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

8. ***Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past. Following are the details of our cash flow position (in lakhs) during the last three financial years;

Particulars	**March 31, 2020**	**March 31, 2019**
Net cash flow from operating activities (A)	2577.84	901.18
Net cash flow from / (used in) investing activities (B)	560.26	(1236.13)

Net cash flow from / (used in) financing activities (C)	(3174.63)	75.11

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition. For further details please refer to "*Financial Information*" beginning on page 74 of this Draft Letter of Offer.

9. ***Our Company has posted negative profits in the past.***

Our Company has in the past incurred losses. There can be no assurance that we will be able to maintain the profitability in future. The details of profit/loss incurred (in lakhs) are as mentioned below:

Particulars	December 31, 2020	March 31, 2020	March 31, 2019
Total Comprehensive Income for the period	(342.44)	109.67	1519.16

For further details please refer to "*Financial Information*" beginning on page 74 of this Draft Letter of Offer.

10. ***Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful.***

Our business strategies include widening our customer base by entering into new geographies and strengthening our relationships with our existing clients. For further details, see "*Our Business—Business Strategy*" on page 61 of this Draft Letter of Offer. These strategies require us to expand our operations to other geographical areas and in new industry verticals. Risks that we may face in implementing our business strategy in these markets may substantially differ from those previously experienced, thereby exposing us to risks related to new markets, industry verticals and clients. The commencement of operations beyond our current markets and industry verticals is subject to various risks including unfamiliarity with pricing dynamics, competition, service and operational issues as well as our ability to retain key management and employees. There can also be no assurance that we will not experience issues such as capital constraints, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate our expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control systems. We may not be able to successfully manage some or all of the risks associated with such an expansion into new geographical areas and new industry verticals, which may place us at a competitive disadvantage, limit our growth opportunities and materially and adversely affect our business, results of operations and financial condition.

11. ***Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. Consequently, our ability to control the workplace environment in such circumstances is limited. The risks associated with the deployment of manpower engaged by us across locations include, among others, possible claims relating to; actions or inactions, including matters for which we may have to indemnify our clients; our failure to adequately verify personnel backgrounds and qualifications resulting in deficient services; failure of manpower engaged by us to adequately perform their duties; errors or malicious acts or violation of health and safety regulations; or criminal acts.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. Further, we may be forced to indemnify our clients against losses or damages suffered by our clients as a result of negligent acts of manpower engaged by us. We may also be affected in our operations by the acts of third parties, including sub-contractors and service providers. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and adversely affect our brand and our reputation, and consequently, our business, financial condition, results of operations and prospects.

12. ***In the past, there have been instances of delays and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC.***

In the past, there have been certain instances of delays in filing statutory forms such as e-form DIR-12 as per the reporting requirements under the Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC.

No show cause notice in respect to the above has been received by our Company till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. 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 happening of such event may cause a material effect on our results of operations and financial position.

13. ***As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations and comply with other SEBI regulations. Any non- compliances in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations/reporting requirements, however there have been instances in the past of non-disclosures/delayed disclosures under SEBI Listing Regulations. For instance, pursuant to Regulation 17 of SEBI Listing Regulations, our Company is required to have a woman director on the Board of the Company. However, the woman director of the Company resigned recently and the company is in process of appointing another women director. Such non-compliance which might have been committed by us, may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

14. ***Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

Our business requires a significant amount of working capital. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payment for the services provided by us, on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. All of these factors may result, or have resulted, in increase in the amount of receivables and short-term borrowings. Continued increase in working capital requirements may adversely affect our financial condition and results of operations. We may also have large cash flows, including among others, litigation costs, adverse political conditions, foreign exchange risks and liability claims. Moreover, we may require additional finance facility in the future to satisfy our working capital needs.

15. ***Our Company does not have any documentary evidence for the educational qualifications and experience of our Directors.***

Our Directors are unable to trace relevant documents with respect to their educational qualifications and their experience. Due to lack of documents and relevant information from the aforementioned Directors, we have relied upon their biodata provided to us as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled "*Our Management*" on page 71 of this Draft Letter of Offer.

16. ***We require certain approvals and licenses in the ordinary course of business, and any failure to obtain or retain such approvals in a timely manner, or comply with applicable laws, may materially and adversely affect our business, financial condition, results of operations and prospects.***

We require certain approvals, licenses, registrations and permissions for operating our business in India, if we fail to apply, obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected.

In relation to our facility, we are required to maintain and avail certain approvals and licenses. We cannot assure you that we will receive all the required certifications or that we will able to maintain the validity of the quality certifications that have previously been awarded.

Further, government approvals and licenses are subject to numerous conditions, of which some may be onerous and may require us to undertake substantial compliance-related expenditure. Changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in geographies in which we currently operate may make compliance with all applicable laws and regulations more challenging and could affect us adversely by tightening restrictions, reducing our freedom to do business, increasing our costs of doing business, or reducing our profitability.

Failure to comply with applicable laws or regulations, obtain and maintain any licenses, permits and approvals necessary to operate our business or non-compliance with any conditions imposed thereunder can lead to civil, administrative or criminal penalties, including but not limited to fines or the revocation of permits and licenses that may be necessary for our business activities.

17. ***Our Company has not yet applied for the registration of the logo or any of the intellectual property that it uses with the registrar of Trademarks.***

Our Company has not yet applied for the registration of the logo i.e. or any of the intellectual property that it uses except trademark rights against its two product name that we use i.e. TINMATE and VEEPRENE. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

18. ***Our growth and our financial results may be affected by factors affecting the chemical and plastic industry in India.***

Our financial results are influenced by the macroeconomic factors determining the growth of the Indian economy as a whole and the chemical and plastic industry in particular.

Periods of slowdown in the economic growth of India has significantly affected the chemical and plastic sector in the recent past. Any further downturn in our industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for our services which may have an adverse effect on our results of our operations. Especially, during the ongoing pandemic, the economy as a whole has withstood the worst impact of extended lockdown and reduction in the flow of income. Chemical and Plastic sector industries may see a downside in the current situation and an adverse and direct impact could fall on our business operations, demand of our services, revenue and financial condition.

19. ***Our Promoter, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoter, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. For further details please refer to "*Financial Information*" on page 74 of this Draft Letter of Offer.

There can be no assurance that our Promoter, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and other signification decisions. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

20. ***We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As of December 31, 2020, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Financial Information aggregates to ₹ 449.25 lakhs. The details of our contingent liabilities are as follows:

Particulars	**(₹)**
Bank guarantees issued by banks on behalf of the Company*	3,07,24,000
Duty against advance license	44,16,929
Income Tax	97,84,739
Total	**4,49,25,668**

For further details of contingent liability, see the section titled — "*Financial Information*" on page 74 of this Draft Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

21. ***We have in past entered into related party transactions and we may continue to do so in the future.***

As of December 31, 2020, we have entered into several related party transactions with our Promoter, individuals and entities forming a part of our promoter group, our directors and the entities in which they hold directorships. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the nine months period ended December 31, 2020 and the Fiscal ended March 31, 2020. For further details, please refer to the chapter titled — "*Financial Information*" at page 74 of this Draft Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. 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.

22. ***In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on December 31, 2020, our Company's total fund based indebtedness is ₹ 12116.93 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — "*Financial Statement*" on page 74 of this Draft Letter of Offer.

23. ***Our Company has taken certain unsecured loans from financial institutions, which may be recalled at any time.***

As on December 31, 2020, our Company has outstanding unsecured loans aggregating to ₹ 1658.98 lakhs, which have been extended by Vikas Garg USL and may be recalled by them at any time. In the event, any of such lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see — " *Financial Statement* " on page 74 of this Draft Letter of Offer.

24. ***Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. 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.

25. ***Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

Our Company depends on the management skills and guidance of our Promoter and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our employees have been associated with our Company since a long period of time and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — "*Our Management*" on page 71 of this Draft Letter of Offer.

26. ***Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as natural disasters. Presently, we have obtained certain insurance policies. The said policies insure stock, building, furniture, fittings, from earthquake, fire, shock, terrorism, etc. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

27. ***Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.***

During the financial year 2019-2020, our Company had foreign exchange earnings of Rs. 5759.45 lakhs (inflow) and outgo of Rs. 4369.08 lakhs (outflow) in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Further, our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

28. ***Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. For further details, please refer to the chapter titled "*Financial Statement*" on page 74 of this Draft Letter of Offer.

29. ***The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".***

As the issue size shall be less than ₹10,000 lakhs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Rights Issue Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

For further details, please refer to the chapter titled — "*Objects of the Issue*" on page 49 of this Draft Letter of Offer.

30. ***We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "*Industry Overview*" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

ISSUE SPECIFIC RISKS

31. ***Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

32. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 158 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

33. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI Relaxation Circulars, a separate R-WAP facility (accessible at www.alankit.com), has been instituted for making an Application in this Issue by resident Investors (only in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue - Making of an Application through the Registrar's Web-based Application Platform (*"*R-WAP*"*) process*" on page 158 of this Draft Letter of Offer. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policies effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of the COVID-19 pandemic. We cannot assure you that R-WAP will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or may be rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP.

34. ***The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

35. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

36. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any

Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a 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 gains made upon the sale of the Equity Shares.

37. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

38. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us 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 we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

40. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

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

41. ***Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may F significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

42. ***Rights of shareholders under Indian laws may be more limited than 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 as extensive as 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.

EXTERNAL RISK FACTORS

43. ***The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus. 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 Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. 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 has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

44. ***Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Summary statements of assets and liabilities as at March 31, 2020 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2020 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

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 Draft Letter of Offer, 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 Financial Information included in this Draft Letter of Offer 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 Draft Letter of Offer should accordingly be limited.

45. ***Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

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

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

46. ***A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

47. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

48. ***Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

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. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in 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.

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. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. 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 add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

49. ***Inflation in India could have an adverse effect on our profitability and if significant, on our***

financial condition.

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

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

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

50. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, 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, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall 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/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

51. ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

52. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 ("**Finance Act**") on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 ("**Bill**") has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

53. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

54. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of 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 worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on February 9, 2021 and Shareholders Approval through Postal Ballot held on March 14, 2021 pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at its meeting held on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in "*Terms of the Issue*" beginning on page 158 of this Draft Letter of Offer.

Equity Shares being offered by our Company	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face value per Equity Share	₹1
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable law
Issue Size	Issue not exceeding ₹4,950 Lakhs #To be adjusted as per the Rights Entitlement ratio
Equity Shares subscribed, paid–up and outstanding prior to the Issue	27,98,99,675 Equity Shares. For details, see "Capital Structure" beginning on page 47 of this Draft Letter of Offer
Equity Shares subscribed, paid–up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]# Equity Shares #Assuming full subscription
Security codes for the Equity Shares	ISIN for Equity Shares: INE806A01020 BSE Code: 530961 NSE Code: VIKASECO
ISIN for Rights Entitlements	[●]
Terms of the Issue	For details, see "Terms of the Issue" beginning on page 158 of this Draft Letter of Offer
Use of Issue Proceeds	For details, see "Objects of the Issue" beginning on page 49 of this Draft Letter of Offer

For details in relation fractional entitlements, see "*Terms of the Issue – Fractional Entitlements*" beginning on page 158 of this Draft Letter of Offer.

Terms of Payment

Due Date	Amount payable per Equity Shares [(including premium)]
On the Issue application (i.e. along with the Application Form)	₹ [●]

GENERAL INFORMATION

Our Company was originally incorporated as Vikas Leasing Limited in New Delhi on November 30, 1984 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company received the certificate for commencement of business on May 22, 1985. Subsequently, the name of our Company was changed to, Vikas Profin Limited and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on January 7, 2002. The name of the Company was changed once again to Vikas Globalone Limited and our Company received the fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at Delhi on December 31, 2008. Thereafter, the name of our Company was changed to Vikas Ecotech Limited a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on October 21, 2015.

Registered and Corporate Office, CIN and registration number of our Company
34/1 Vikas Apartments,
East Punjabi Bagh,
Delhi – 110026
Telephone: +91-11-43144444
Website: www.vikasecotech.com
Corporate Identity Number: L65999DL1984PLC019465
Registration Number: 019465
E-mail: cs@vikasecotech.com

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:
Registrar of Companies
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019

Company Secretary and Compliance Officer

Prashant Sajwani,
34/1 Vikas Apartments,
East Punjabi Bagh,
Delhi – 110026
Telephone: +91 11 43144444
E-mail: cs@vikasecotech.com

Statutory Auditors to our Company

M/s KSMC & Associates, Chartered Accountants
G-5, Vikas Apartments,
34/1, East Punjabi Bagh,
New Delhi-110026
Telephone: +91 11 41440483
E-mail: info@ksmc.in

Lead Managers to the Issue

Mark Corporate Advisors Private Limited
404/1, The Summit Business Bay,
Off. W. E. Highway, 400 057,
Sant Janabai Rd, Vile Parle East,
Mumbai - 400057

Telephone: +91 22 2612 3207/08
E-mail id: info@markcorporateadvisors.com
Investor Grievance e-mail id: investorgrievance@markcorporateadvisors.com
Contact Person: Mr. Manish Gaur
Website: www.markcorporateadvisors.com
SEBI registration number: INM000012128

Legal Advisor to our Company

Rajani Associates, Solicitors
204-207, Krishna Chambers
59, New Marine Lines
Mumbai – 400020
Telephone: +91 (22) 4096 1000
E-mail id: sangeeta@rajaniassociates.net
Contact Person: Ms. Sangeeta Lakhi

Registrar to the Issue

Alankit Assignments Limited
2E/21, Jhandewalan Extension
New Delhi-110055
Telephone: 011- 42541234, 23541234
Facsimile: 011- 23552001
E-mail: info@alankit.com , rta@alankit.com
Website: www.alankit.com
Contact person: Mr. Vijay Pratap Singh
Investor grievance email id: vijayps1@alankit.com
SEBI Registration No: INR000002532

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process or R-WAP may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "*Terms of the Issue*" beginning on page 158 of this Draft Letter of Offer.

Experts

Our Company has received a written consent dated May 11, 2021 from our Statutory Auditors, M/s KSMC & Associates, to include their names in this Draft Letter of Offer as an "*expert*", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Draft Letter of Offer. Such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Banker(s) to the Company
[●]

Banker(s) to the Issue /Refund Bank
[●]

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Statement of Inter-se Allocation of Responsibilities

Since, Mark Corporate Advisors Private Limited is the sole Lead Manager to the Issue, all the responsibilities of the Issue will be managed by them.

No.	Activities
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Drafting and design of the offer document and of advertisement / publicity material including newspaper advertisements and brochure / memorandum containing salient features of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form, etc. To ensure compliance with the SEBI ICDR Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchanges and SEBI.
3.	Marketing of the Issue will cover, inter alia, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centers (iv) distribution of publicity and issue material including Application Form, the Abridged Letter of Offer and the Letter of Offer to the extent applicable.
4.	Selection of various agencies connected with the issue, namely Registrar to the Issue, Bankers to the Issue, printers, advertisement agencies etc.
5.	Follow-up with Bankers to the Issue to get estimates of collection and advising our Company about closure of the Issue, based on the correct figures
6.	Post-Issue activities will involve essential follow-up steps, which must include finalization of basis of allotment / weeding out of multiple applications, listing of instruments with the various agencies connected with the work such as Registrars to the Issue and Bankers to the Issue. Even if many of these Post-Issue activities would be handled by other intermediaries, the Lead Manager shall be responsible for ensuring that such agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with our Company.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements #	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* *Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "*Terms of the Issue - Process of making an Application in the Issue*" beginning on page 158 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.alankit.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 158 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Minimum Subscription

The objects of the Issue are Meeting Working Capital Requirements, Partial Repayment of Loan (LAP) of ICICI Bank and General Corporate Purpose and do not involve financing of capital expenditure for a project

Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Appraising Entity

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

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, this Draft Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(in ₹ lakhs, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	75,00,00,000 Equity Shares of ₹1 each	7,500.00	7,500.00
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	27,98,99,675	2,798.99	2,798.99
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER**(1)		
	Up to [●] Equity Shares, each at a premium of ₹ [●] per Equity Share, i.e., at a price of ₹ [●] per Equity Share	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of ₹[●] each fully paid up	[●]	
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		114,869,778
	After the Issue		[●]

Assuming full subscription for and Allotment of the Equity Shares

(1) The Issue has been authorised by our Board pursuant to resolution dated February 9, 2021 and Shareholders Approval through Postal Ballot held on March 14, 2021. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at its meeting held on [●].

Notes to the Capital Structure

1. **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:**
   - (i) The shareholding pattern of our Company, as on March 31, 2021, can be accessed on the website of the BSE here; and the NSE here.
   - (ii) The statement showing holding of Equity Shares of persons belonging to the category "Promoters and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on March 31, 2021, can be accessed on the website of the BSE here and the NSE here.
   - (iii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE here and the NSE here.

2. As on the date of this Draft Letter of Offer, there are no outstanding instruments issued by the Company.

3. As on the date of this Draft Letter of Offer, there are no specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Draft letter of offer.

   Intention and extent of participation by our Promoters

   Our Promoters have undertaken to subscribe to the full extent of their Rights Entitlements in the Issue and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group). Further, our Promoters and Promoter Group reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

4. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.

5. All Equity Shares are fully paid-up as on the date of this Draft Letter of Offer and the Equity Shares Allotted pursuant to the Issue shall be fully paid-up. For details on the terms of this Issue, see "*Terms of the Issue*" beginning on page 158 of this Draft Letter of Offer.

6. Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital

The statement showing details of Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on March 31, 2021 form the "Promoters and Promoter Group" as on March 31, 2021, can be accessed on the website of the BSE here and the NSE here; and statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE here and the NSE here.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Meeting Working Capital Requirements;
2. Adjustment of Unsecured Loans against the Entitlement of the Promoters;
3. Partial Repayment of Loan (LAP) of ICICI Bank;
4. General Corporate Purposes.

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

Issue Proceeds

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount (in lakhs)
Gross Proceeds from the Issue#	4950.00*
Less: Adjustment of Unsecured Loans against the Entitlement of the Promoters	500.00
Less: Estimated Issue related Expenses	75.00
Net Proceeds from the Issue	**4375.00**

 # assuming full subscription and allotment
**The issue size will not exceed ₹4950 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose*

One of our Promoter Shareholder namely Mr. Vikas Garg has lent an unsecured loan to our company aggregating to ₹ 21.19 Lakhs. The said Promoter Shareholder has requested our Company to adjust the part of outstanding unsecured loan aggregating to ₹ 500.00 lakhs against his entitlement vide letter dated May 09, 2021. The aforesaid loan has been used for the augmentation of existing working capital requirements as certified by Statutory Auditor KSMC & Associates vide certificate dated May 11, 2021. The Rights Issue Committee in its meeting held on May 12, 2021 has accepted his request for conversion of unsecured loan aggregating to ₹500.00 lakhs into equity shares.

Requirement of Funds of the Net Proceeds:

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table: -

S. No.	Particulars	Total estimated amount to be utilised (in lakhs)
1.	Meeting Working Capital Requirements	**2805.00**
2.	Partial Repayment of Loan (LAP) of ICICI Bank	**370.00**
3.	General Corporate Purposes	**1200.00**
	Total	**4375.00**

Means of Finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

Details of the Objects of the Issue

1. Meeting Working Capital Requirements

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of Working Capital Requirement (on a standalone basis), is as under:

(Amounts in lakhs)

Sr. No.	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2021 (Provisional)	As at 31.03.2022 (Projected)
A	**Current assets**			
	(a) Inventories	11046	10064	9000
	(b) Trade receivables	10802	6894	9800
	(c) Cash and Cash Equivalents	933	938	1200
	(e) Other assets	6669	9226	6700
	Sub-Total	**29451**	**27122**	**26700**
B	**Current liabilities**			
	(a) Borrowings	15970	12598	9098
	(b) Trade payables	2564	2882	3000
	(c) Other current liabilities	3208	917	1000
	Sub-Total	**21743**	**16397**	**13098**
C	**Net Working Capital (A - B)**	**7708**	**10725**	**13602**
D	**Working Capital Gap**		**1017**	**2876**
	Funding Pattern			
	Funding through Internal Accruals /Other Borrowings	-	2518	71
	Funding through Promoter's Rights Entitlement already brought in	-	500	-
	Working Capital funding through Rights Issue proceeds to be utilized	-	-	**2805**

Notes on Working Capital for the FY 2021-22

Debtors	Debtors Holding days decreased from 217 days in FY 2020-2021 to 204 days in FY 2021-2022 on account of increased sales of goods and better credit Management policies ensuring timely recovery of dues
Creditors	Creditors payments days decreased from 110 days in FY 2020-2021 to 76 days for FY 2021-2022 due to reduction in credit period
Inventory	Inventory days decreased from 87 days in FY 2020-2021 to 51 days for FY 2021-2022.

2. Partial Repayment of Loan (LAP) of ICICI Bank

Our Company has taken loan from ICICI Bank of ₹651 lakhs and our Company intends to utilize ₹ 370 lakhs out of the Net Proceeds towards partial prepayment of loan.

The selection of borrowing proposed to be repaid and / or partially pre-paid set forth below shall be based on various factors, including (i) cost of the borrowings to our Company, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to partial prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such requirements, (iii) receipt of consents for partial prepayment from the respective lender, (iv) terms and conditions of any such consent and waiver, (v) provisions of any law, rules, 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 partial prepayment or repayment will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business.

The following table provides detail of the loans availed by our Company, which are proposed to be partial repaid/ prepaid from the Net Proceeds: -

(₹ in lakhs)

No.	Name of Entity	Outstanding Secured Loan position as on June 06, 2021 (in Rs. lakhs)	Nature of Borrowing	Purpose of availing Loans	Interest rate(%) p.a.	Proposed partial repayment or prepayment from Net Proceeds
1.	ICICI Bank	433.58	Home Loan	Non-Residential Premises	10.20%	370.00

Note: The abovementioned property situated at
i) Office No 404&405, 4th floor, Wing B, Express Zone, Malad, Mumbai, Maharashtra 400064
ii) Office No 408, 4th floor, Wing B, Express Zone, Malad, Mumbai, Maharashtra 400064
iii) Office No 409, 4th floor, Wing B, Express Zone, Malad, Mumbai, Maharashtra 400064
iv) Office No 410, 4th floor, Wing B, Express Zone, Malad, Mumbai, Maharashtra 400064
v) Office No 411, 4th floor, Wing B, Express Zone Malad, Mumbai Maharashtra 400064
and the company is earning rental income of Rs. 45,04,716 p.a.

3. General Corporate Purpose

We intend to deploy ₹1200 Lakhs from gross proceeds of the Rights Issue towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the gross proceeds of the issue would be deployed for the General Corporate purposes.

4. Expenses for the issue

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹75 lakhs towards these expenses, a break-up of the same is as follows:

(₹ in lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Lead Manager fees, Legal Counsel fees, selling commission, registrar fees and	[●]	[●]	[●]

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
expenses)			
Advertising, Printing, stationery and distribution Expenses	[●]	[●]	[●]
Statutory and other Miscellaneous Expenses	[●]	[●]	[●]
Total	75.00	[●]	[●]

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Schedule of Implementation and Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized during FY 2021 -22.

Deployment of Funds towards the Objects of the Issue

We have incurred ₹45.99 Lakhs upto May 10, 2021 towards the Objects of the Issue which has been certified by Statutory Auditor KSMC & Associates vide their certificate dated May 11, 2021. The said amount has been met by the Company from its own resources and the same will be adjusted against the issue proceeds.

Bridge Financing Facilities

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

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulation, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Key Industry Regulations for the proposed objects of the issue

Key Industry Regulations is not applicable.

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue

Our Promoters, Promoter Group and Directors do not have any interest in the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

The Board of Directors
Vikas Ecotech Limited
34/1 Vikas Apartments
East Punjabi Bagh
Delhi 110026 India

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to Vikas Ecotech Limited ("the Company") and its shareholders ("the Statement").

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of 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 benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:
1. the Company or its shareholders will continue to obtain these benefits in future; or
2. the conditions prescribed for availing the benefits, where applicable have been/would be met.

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For KSMC AND ASSOCIATES
Chartered Accountants
Firm Registration No: 003565N

Sd/-
CA Sachin Singhal
M No.: 505732
UDIN: 21505732AAAABR7335

Date: - May 11, 2021
Place: Delhi

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

Special Tax Benefits

I. Benefits available to the Company

There are no special tax benefits available to the Company.

II. Benefits available to the Shareholders

There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

For KSMC AND ASSOCIATES
Chartered Accountants
Firm Registration No: 003565N

Sd/-
CA Sachin Singhal
M No.: 505732
UDIN: 21505732AAAABS3961

Date: - May 11, 2021
Place: Delhi

SECTION IV: ABOUT OUR BUSINESS

INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 22 and 74, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 22 of this Draft Letter of Offer.

SPECIALTY CHEMICALS

Global Economic Outlook

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%.

Specialty chemicals has been one of the few sectors that have bucked the Covid-19 slowdown and most companies in this space are now poised to deliver growth in FY21. A changing geopolitical scenario will continue to drive growth over the next decade.
The size of the Indian specialty chemicals sector is expected to double from $30 billion to $60 billion over the next five years. Our analysis shows the industry will require over $10 billion to fund the incremental capex and working capital requirements through a combination of external debt and equity. The fund requirement may be even higher as companies look for backward integration and have set up units at scale significantly larger than what they have done in the past.

Key Market Movements in Investments and Recent Developments

A few recent developments/investments in the Indian chemical sector are as follows:

- In November 2020, Indian companies are witnessing interest from strategic investors led by Japan, Korea and Thailand, as they seek to diversify supply chains from China. This includes large deals in FY 2020—KKR's $414 million acquisition of JB Chemicals and Pharmaceuticals Ltd. and Carlyle's US$ 210 million acquisition of SeQuent Scientific Ltd.
- On November 06, 2020, HIL (Hindustan Insecticides Limited) signed a memorandum of understanding with the Department of Chemicals & Petro Chemicals to achieve revenue target of Rs. 451 crore (US$ 60.86 million).
- On November 04, 2020, Pidilite Industries acquired Huntsman Group's Indian subsidiary for Rs. 2,100 crore (US$ 283.38 million) to strengthen adhesives and sealants portfolio that will complement the company's retail portfolio.
- In October 2020, Grasim Industries signed a definitive agreement with Lubrizol Advanced Materials (specialty chemical company) to manufacture and supply chlorinated polyvinyl chloride (CPVC) resin in Gujarat. The initial production is expected to begin in end-2022.

Exhibit B- Fund Raising in Chemicals sector since 2010

(in lakh)

Period	Equity Capital Markets	Private Equity	Total Fund Raising
2011-2015	28190.00	41650.00	69840.00
2016-2020	61920.00	146700	2158300

(Source:https://economictimes.indiatimes.com/markets/stocks/news/how-will-the-next-opportunity-unfold-in-speciality-chemicals/articleshow/78888944.cms?from=mdr)

Specialty Chemicals Market Size

The Indian chemicals industry stood at US$ 178 billion in 2019 and is expected to reach US$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. In September 2020, the production of key chemicals was 8,36,435 MT and petrochemicals was 17,26,502 MT.

The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22. The petrochemicals demand is expected to record a 7.5% CAGR between 2019 and 2023, with polymer demand increasing at 8%. The agrochemicals market is expected to witness an 8% CAGR to reach US$ 3.7 billion by FY22 and US$ 4.7 billion by FY25.

In October 2020, exports of organic chemicals and inorganic chemicals increased by 2% on a y-o-y basis to reach US$ 1,812.22 million. For petrochemicals, imports of petroleum and crude products decreased by 39% on a y-o-y basis to reach US$ 3,44.1 million in October 2020.

Indian Industry Overview

Market size of Chemicals & Petrochemicals sector in India is worth ~$178 Billion. Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Bulk chemicals, Specialty chemicals, Agrochemicals, Petrochemicals, Polymers and Fertilizers. India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale.

India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Chemicals industry in India has been de-licensed except for few hazardous chemicals. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art infrastructure for Chemicals and Petrochemicals sector.

- The Chemicals and Petrochemicals market is projected to reach $300 Billion by 2025
- Indian ranks 14th in export and 8th in import of chemicals (Excluding Pharmaceuticals products) globally
- Demand of chemical products is expected to grow at approximately 9% p.a. during 2020-25
- Indian chemical industry employs more than 2 million people

100% FDI is allowed under the automatic route in the chemicals sector (except in the case of certain hazardous chemicals) Specialty chemicals has been one of the few sectors that have bucked the Covid-19 slowdown and most companies in this space are now poised to deliver growth in FY21. A changing geopolitical scenario will continue to drive growth over the next decade.

The size of the Indian specialty chemicals sector is expected to double from $30 billion to $60 billion over the next five years. Our analysis shows the industry will require over $10 billion to fund the incremental capex and working capital requirements through a combination of external debt and equity. The fund requirement may be even higher as companies look for backward integration and have set up units at scale significantly larger than what they have done in the past.

Reports

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry.

To bring about structural changes in the working of domestic chemical industry, future investments should not only focus on transportation of fuels such as petrol and diesel, but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

Government Initiatives

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The Indian government recognizes chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.

- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. Total FDI inflow in the chemicals (other than fertilisers) sector reached US$ 17.77 billion between April 2000 and June 2020.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
    - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
    - Single window clearance for central and state-level approvals.
    - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US$ 213 billion) by 2030 and Rs. 20 lakh crore (US$ 284 billion) by 2035 in all PCPIRs across the country

(Source: https://www.ibef.org/industry/chemicals-presentation)

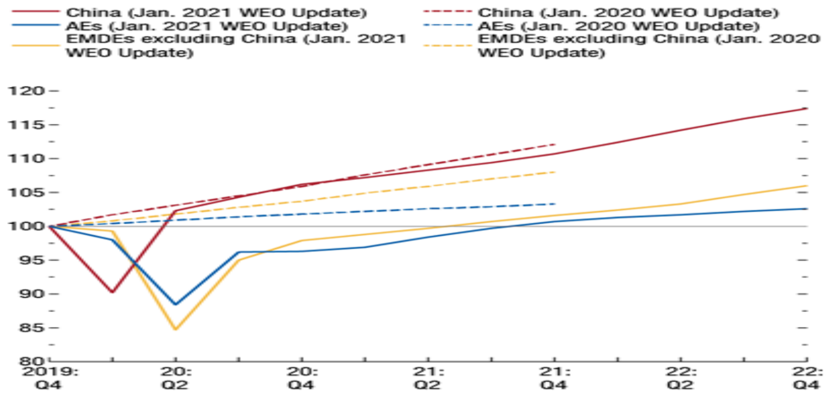
Impact of COVID-19 on the Industry

The pandemic (COVID-19) is an unprecedented global crisis that, by many calculations will have a deep and devastating economic and social impact along with taking a toll on human lives. COVID-19, the pandemic has impacted the entire global economy and the plastic and rubber polymers industry is no exception. COVID-19 hits the economy where it hurts: consumer confidence, which slows downstream demand in many segments. Polymer demand is impacted in the short, medium, and long term. The intensity of the effect differs according to the market segments. A negative demand impact is expected to continue into 2021. This crisis has caused deep destruction of personal wealth and economic uncertainty, consumers have also reduce discretionary spending on leisure, entertainment, travel and tourism, and eating out, which is impacting and will continue to impact related plastics consumption. Apart from these areas of the economy, major sectors including automotive and white goods will also face tremendous headwinds.

- Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

- The projected growth recovery this year follows a severe collapse in 2020 that has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast (reflecting stronger-than-expected momentum in the second half of 2020).
- The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

Figure 1. Divergent Recoveries: WEO Forecast for Advanced Economies and Emerging Market and Developing Economies
(Index, 2019:Q4 = 100)



Source: IMF staff Estimates.
NOTE: AE= Advanced Economies; EMDs= emerging market and developing economies; WEO= World Economic Outlook

- India is one of the fastest-growing economies in the world. Over the past four fiscals, India's macroeconomic situation has gradually improved: the twin deficits (current account and fiscal) have been narrowing and the growth-inflation mix has improved, and durably so. Both fiscal and monetary policies are more prudent, focusing on raising the quality and not just the rate of growth. The government has adopted an inflation-targeting framework that provides an institutional mechanism for inflation control, while modernizing central banking. Fiscal policy has managed to stay mildly growth-focused, while managing a gradual reduction in the deficit.

Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	ESTIMATE 2020	PROJECTIONS 2021	2022
World Output	-3.5	5.5	4.2
Advanced Economies	-4.9	4.3	3.1
United States	-3.4	5.1	2.5
Euro Area	-7.2	4.2	3.6
Germany	-5.4	3.5	3.1
France	-9.0	5.5	4.1
Italy	-9.2	3.0	3.6
Spain	-11.1	5.9	4.7
Japan	-5.1	3.1	2.4
United Kingdom	-10.0	4.5	5.0
Canada	-5.5	3.6	4.1
Other Advanced Economies	-2.5	3.6	3.1
Emerging Markets and Developing Economies	-2.4	6.3	5.0
Emerging and Developing Asia	-1.1	8.3	5.9
China	2.3	8.1	5.6
India	-8.0	11.5	6.8
ASEAN-5	-3.7	5.2	6.0
Emerging and Developing Europe	-2.8	4.0	3.9
Russia	-3.6	3.0	3.9
Latin America and the Caribbean	-7.4	4.1	2.9
Brazil	-4.5	3.6	2.6
Mexico	-8.5	4.3	2.5
Middle East and Central Asia	-3.2	3.0	4.2
Saudi Arabia	-3.9	2.6	4.0
Sub-Saharan Africa	-2.6	3.2	3.9
Nigeria	-3.2	1.5	2.5
South Africa	-7.5	2.8	1.4
Memorandum			
Low-Income Developing Countries	-0.8	5.1	5.5

Source: IMF, World Economic Outlook Update, January 2021
Note: For India, data and Forecast are presented on a fiscal year basis, with FY 2020/2021 starting in April 2020.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section entitled "**Forward-Looking Statements**" on page 18 for a discussion of the risks and uncertainties related to those statements and also the section entitled "**Risk Factors**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on page 22, 74 and 136 respectively of this Draft Letter of Offer, for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking 0statements.

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company.

Overview

We are primarily engaged in the business of manufacturing of Specialty Chemicals focused on Specialty Chemical Additives and Specialty Polymer Compounds. Our Company is also ISO 9001:2015 certified company. Presently, our manufacturing facilities are operating at Shahjahanpur (Rajasthan) and Noida SEZ (Uttar Pradesh).

Over the years, we have established ourselves as a successful manufacturer of Specialty Chemicals Additives and Specialty Polymer Compound. Our products cater various industries such as agriculture and infrastructure, packaging, organic and inorganic chemicals, electrical, FMCG, footwear, pharmaceuticals, automotive, medical devices and components and other consumer goods.

We believe that presently we are the only homegrown manufacturer in India with an in house research and development function, manufacturing Organotin Stabilizers or MTM right from tin metal. Our Organotin Stabilizers are US FDA compliant, giving us the ability to supply all over the world and substitute costly imports for Indian manufacturers locally. Our Company carries out research and development activities at our manufacturing facility situated at Shahjahanpur.

We supply our products to domestic customers and also export our products to countries including United States of America, Africa, Europe and Asia. In Fiscals 2020, 2019 and 2018, our revenue from exports contributed 24.698%, 3.886% and 44.952 %, respectively of our total revenue from operations. Our company is recognized with two star house by the office of Additional Director General of Foreign Trade.

Our Company was originally incorporated on November 30, 1984 as "Vikas Leasing Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana. The name of our Company was changed from "Vikas Leasing Limited" to "Vikas Profin Limited" and a fresh certificate of incorporation was issued on January 7, 2002. Thereafter, again the name of our Company was again changed from "Vikas Profin Limited" to "Vikas Globalone Limited" and a fresh certificate of incorporation was issued on December 31, 2008. On October 21, 2015, the name of our Company was again changed from "Vikash Globalone Limited" to "Vikas Ecotech Limited" and a fresh certificate of incorporation was issued under the seal of Registrar of Companies, Delhi.

During the Fiscal 2018-19, our Company hived off its 'high volume recycled compounds and trading divison' which merged into Vikas Lifecare Limited (*formerly known as Vikas Multicorp Limited*), our promoter entity, vide scheme of demerger under section 230-232 of Companies Act, 2013 duly approved by Hon'ble National Company Law Tribunal vide certificate copy of order dated October 31, 2018. The appointed date under the scheme of demerger was April 1, 2017.

Impact of COVID-19

The outbreak of COVID-19 was recognized as a public health emergency of international concern on January 30, 2020 and as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, as well as restrictions on travel and business operations.

Our manufacturing Facilities was temporarily shut during the pandemic from March 22, 2020 and thus our production, revenue and profitability was impacted. We resumed our manufacturing plant situated at Shahjahanpur (Rajasthan) on April 11, 2020 and manufacturing facility at Noida SEZ is still in phase of resuming operations. We have implemented greater safety procedures and requirements at our manufacturing Facility. Due to limited availability of labour, logistics and supply chain constraints, our manufacturing Facility is operating at sub-optimal capacity utilization in the current Fiscal.

We resumed operations in a phased manner as per the directive issued by the Government of India and the state government from time to time. Our plant utilization was improved, raw material suppliers resumed their operations and supply and logistics were becoming more regular. However due to ongoing consequential wave of COVID-19 in the Country and temporary lockdowns imposed in various places, we are facing difficulty in resuming our operations in regular manner. However, we have continued to source raw materials from our suppliers and have been able to continue supply of our Products to our customers.

The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in section titled "**Risk Factors**" on page 22 respectively of this Draft Letter of Offer. We are continuously monitoring the economic conditions and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business. For more details, see section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 136 of this Draft Letter of Offer.

Financial Performance

Due to ongoing COVID-19 pandemic our financial performance is adversely effected. For Fiscals 2020, 2019 and 2018, our revenue from operations was ₹ 19,218.9 lakhs, ₹24,525 lakhs and ₹ 23,617.8 lakhs, respectively. Our EBITDA for Fiscals 2020, 2019 and 2018 was ₹ 2,005.8 lakhs, ₹ 1,923.6 lakhs and ₹ 5,159.3 lakhs respectively while our Profit for Fiscals 2020, 2019 and 2018 was ₹ 109.7 lakhs, ₹ 1,656.2 lakhs and ₹ 2,667.7 lakhs respectively.

Our Products

Our Company has an experience of over three decades in manufacturing and distribution of different types of specialized chemicals. As on the date of this Draft Letter of Offer, we are engaged in the manufacture of following products:

1. **Speciality Additives -** We offer an extensive range of food grade toxin-free, high-performance and niche specialty additives for use in a variety of manufacturing applications. We are committed to provide tailor-made solutions for specialized customer needs, developing customized product grades for specific requirements. In the Fiscal 2019-20 the specialty additives contributed to 100% of our total revenue.

   The following products of the Company falls under Specialty Additives;

(a) **Organotin Stabilizers**

We believe that at present we are the only Indian company with an integrated in-house facility to produce FDA-approved Organotin Stabliser or MTM from tin metal ingots. These stabilizers are toxin-free and used widely in rigid and flexible PVC articles.

Our in-house facility enables us to manufacture TTC (Tin Tetrachloride) which is a vital raw material for production of Organotin stabilizers. We manufacture Organotin Stabilizers right from the tin metal stage, our products have high-efficacy and can be used in low dosages in different plastic applications. We have an installed capacity of 600 MTPA and our present capacity utilization is 360 MTPA. Our total revenue from Organotin Stabliser in Fiscal 2020, 2019 and 2018 was Rs. 283 lakhs, 582 lakhs and 1,093 lakhs in Fiscal 2020, 2019 and 2018 respectively

During the fiscal 2020, we also initiated exports of Organotin Stabliser in US, which is the largest market place for such specialty chemical and has received outstanding response due to high and consistent quality products supplied by us.

Our Company manufactures and market Organotin Stabliser under our brand name "TINMATE".

(b) **Epoxidized Soyabean Oil**

We also manufacture Epoxidized Soyabean Oil which is basically an organic compounds obtained from the epoxidation of soybean oil. It is used as a plasticizer and stabilizer in polyvinyl chloride plastics. Raw materials required for production of Epoxidized Soyabean Oil are refined soybean oil, hydrogen peroxide and formic acid. We provide Epoxidized Soyabean Oil to various industries such as footwear industry, plastic pipe and fitting industry and other plastic industries

We have an installed capacity of 450 MTPA and our present capacity utilization is 270 MTPA. Our total revenue from Epoxidized Soyabean Oil in Fiscal 2020, 2019 and 2018 was Rs. 6 lakhs, 252 lakhs and 305 lakhs in Fiscal 2020, 2019 and 2018 respectively.

Our Company manufacture and market Epoxidized Soyabean Oil under our brand name "ADDFLEX"

(c) **Aluminium Trihydrate**

We are also engaged in manufacturing of Aluminium Trihydrate (ATH) which is a widely used flame retardant and smoke suppressant due to its versatility and low cost. ATH provides high-performing alternatives for manufacturers seeking halogen-free flame-retardant additives.

We have an installed capacity of 1200 MTPA and our present capacity utilization is 720 MTPA. Our total revenue from Aluminium Trihydrate in Fiscal 2020, 2019 and 2018 was Rs. 277 lakhs, 323 lakhs and 431 lakhs.

Our Company manufacture and market Aluminium Trihydrate under our brand name "V-ECOFLAMEX".

2. Specialty Polymer Compounds

We are also engaged in manufacturer of specialty rubber-plastic and polymer compounds and cater domestic and global market.

(a) **Thermoplastic Rubber (TPR) Compounds**

Our Company manufactures a broad range of differentiated TPR compounds. Our range of products offers the key properties of elite quality rubber compounds with the easy process ability of plastics. Such products are used in niche applications like orthopedic footwear soles; ultra-fine cleaning bristles for micro-sized dusting brushes, sports goods etc. along with the conventional applications like footwear and other consumer goods.

We have an installed capacity of 7,500 MTPA and our present capacity utilization is 4,500 MTPA.

Our total revenue from sales from Thermoplastic Rubber Compound in Fiscal 2020, 2019 and 2018 was Rs. 3,701 lakhs, 4,895 lakhs and 5,651 lakhs in Fiscal 2020, 2019 and 2018 respectively.

We manufacture and market TPR compounds under our brand name "**VEEPRENE**"

(b) **Thermoplastic Elastomer (TPE) Compounds**

Our Company manufactures TPE compound which comprises of hybrid properties of rubber and plastic and have excellent synergetic qualities. These compounds find applications in a wide range of product manufacturing such as healthcare devices, auto component, industrial and household devices etc.

We have an installed capacity of 1,000 MTPA and our present capacity utilization is 600 MTPA.

Our total revenue from TPE Compound in Fiscal 2020, 2019 and 2018 was Rs. 1,090 lakhs, Rs. 1,055 lakhs and Rs. 642 lakhs in Fiscal 2020, 2019 and 2018 respectively.

We manufacture and market TPE Compound under our brand name "**VEEPRENE**"

(c) **Ethylene Vinyl Acetate (EVA) Compounds**

Our Company manufactures EVA compounds which are widely used in injection and compression moulding of cross-linked foams. They are suitable for producing high quality footwear, midsoles, insoles, outsoles, sheets etc.

We have an installed capacity of 5,000 MTPA and our present capacity utilization is 3,000 MTPA.

Our total revenue from sales from EVA compounds in Fiscal 2020, 2019 and 2018 was Rs. 877 lakhs, 786 lakhs and 597 lakhs in Fiscal 2020, 2019 and 2018 respectively.

We manufacture and market EVA compounds under our brand name "**VIKOLENE**".

Our Manufacturing Facility

Our manufacturing facilities are operating at Shahjahanpur (Rajasthan) and Noida SEZ (Uttar Pradesh). We believe we have sufficient fire prevention facilities at our Manufacturing Facilities. Further, our Company has received the necessary environmental clearances. We have arrangements for regular power and water supply at our Manufacturing Facility together with provision for back-up electric power.

Raw materials

We purchase our raw materials from multiple suppliers on a purchase order basis. We do not have long term contracts for the supply of our raw materials, and procure the same through purchase orders, we have long-established relationships with a number of such suppliers, and such long-established relationship with multiple suppliers ensure stable supply without dependency on a single source.

On receipt of the raw materials, our quality control team tests the materials and after such testing of the materials, the quality control department confirms whether the material is to be approved or rejected.

The aggregate cost of raw materials incurred in Fiscals 2020, 2019 and 2018 was ₹ 22,312 lakhs, ₹ 32,619 lakhs and ₹ 27,751 lakhs respectively.

Product Development

We have a R&D department which performs various critical functions with respect to our existing products, while also seeking to identify potential new products as well as newer applications for our existing products. The R&D department is aided by advisory committee comprising professional having expertise in such plastic and chemical sectors which helps the Company to tap into new opportunities and market.

Manufacturing process

Brief details of the manufacturing process for our main products are set forth below;

Polymer compound (TPR/TPE):

Manufacturing of Polymer compound is done by as per the flow chart giver below:

As per production plan arrange all raw material for blending

↓

As per formulation weigh all material additive and color etc

↓

Feed all weighed material in blending Equipment Ribbon Blender, High speed mixer up to proper mixing

↓

Extrude material by extruder (twin screw extruder or single screw extruder) Granulized by pelletizing die face or strain

↓

Granulized material classified by classifier

↓

Homogenize all granulized material put / feed in silo for proper homogenization for colour and property equalize

↓

After confirmation from Q.C.

↓

Weigh material for packing (25 KG)

↓

Stacked material on pallet for transfer to store and dispatched

Organotin Stabilizer:

Organotin stabilizer is manufactured by halogenations of tin metal with methyl chloride gas in the presence of a catalyst followed by subsequent reaction with 2 ethylhexyl thioglycolic acid and thereafter is distilled to get the final product. After the above reaction neutralization is done by subsequent washing and drying is done in a vacuum. The manufacturing process is detailed as below;

Sn(Tin) +Methyl chloride gas
Halogenation

↓

TTC($SnCl_4$)
Catalyst+2 ethylhexyl thioglycolic

↓

MTM(acidified)
Distillation and neutralization in Vacuum

↓

Final Product(MTM)

Key Strengths

Our competitive strengths are as follows:

We believe that presently we are only manufacturer of Organotin Stabilizers or MTM right from tin metal in India and amongst very few globally.

We are the only homegrown manufacturer in India with an in house R&D function, manufacturing MTM right from tin metal. Few other players in the world have such technological capability. Our Organotin stabilizers are US FDA compliant, giving us the ability to supply all over the world and substitute costly imports for Indian manufacturers locally. Further, Organotin is the only heat stabilizer used in the manufacture of CPVC pipes & fittings. The demand for Organotin stabilizers – lead-free alternative additives – is witnessing a rise both in India as well as globally. We believe that the nascent Indian market of CPVC (Chlorinated polyvinyl chloride) pipes and fittings in India is estimated to grow at more than 100% CAGR over the next 2-3 years.

We believe that our positioning in the markets in which we operate and our established relationships with our customers and suppliers, will enable us to benefit from any growth opportunities in the markets in which we operate and continue to expand our operations.

The specialty chemicals industry in which we operate has high entry barriers

The specialty chemicals industry in which we operate has high entry barriers due to inter alia: (a) the involvement of complex chemistry in the manufacture of our Products, which is difficult to commercialize on a large scale and; (b) a long gestation period to be enlisted as a supplier with the customers.

We believe that the specialty chemicals industry is highly knowledge intensive and, some of the raw materials that we use are highly corrosive chemicals. Therefore, handling these chemicals requires a high degree of technical skill and expertise, and operations involving such hazardous chemicals ought to be undertaken only by personnel who are well trained to handle such chemicals. We believe that the level of technical skill and expertise that is essential for handling such chemicals can only be achieved over a period of time, creating a further barrier for new entrants.

Diversified Product range, customer base coupled with long standing relationships

We produce a wide variety of superior quality, eco-friendly rubber-plastic compounds and additives. Our rubber-plastic compounds and additives are process critical and value enabling ingredients used to manufacture a varied cross-section of high-performance, environment-neutral and safety critical products. Our products cater various industries like agriculture & infrastructure, Packaging, organic and inorganic chemicals, FMCG, Footwear, Pharmaceuticals, Automotive, Medical Devices & Components & Other Consumer Goods.

We have established relationships with our key customers. We believe that as a result of our diversified customer base and our endeavor to maintain long standing relationships with our customers, we are well equipped to retain our presence in the market and build upon these relationships to increase our product base and reach out to new customers.

Quality Assurance

Our Company has always focused on providing quality product and services to our customers. This is necessary in order to ensure we retain our existing customers and widen our customer base by providing assurance, reliability, and responsive services to our customers. We endeavor to maintain the quality of our services and follow strict procedures to ensure quality services and timely delivery at competitive rates.

Cost advantage

We believe that we have developed processes for manufacture of products in a cost effective manner. Our R&D team is continuously working on the processes for our existing products in order to improve the production with optimum utilization of resources and cost saving. This provides us a competitive edge over others and helps us to widen our customer base.

Experienced management

We have a strong and experienced management team which we believe has positioned our business well for continued growth and development. Our management team has significant experience in the areas of finance, manufacturing, quality control, strategy, raw material sourcing and business development.

We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments. We believe our management team possesses ability, skills and experience needed to implement our strategic objectives related to our business and expansion in the future.

Our Strategies

Entering into new geographies

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also world. We propose to increase our marketing and sales team which can focus in different regions and also maintain and establish relationship with customers. Enhancing our presence in additional regions will enable us to reach out to a larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

Exploring newer applications of our existing products as well as focusing on new products that are in synergy with our current operations

Our Company aims to expand the sale of our products to other industries where such products have application. For instance, we aim to market our products for use in other industries including Pharmaceuticals, API & Chemical Industry, master batches for Rubber and Polymer compound. Our Company has also formulated an advisory committee with professional having expertise in such sectors which would help the Company to tap into new opportunities and market.

Improving operational efficiencies

Our Company intends to improve efficiencies to achieve cost reductions so that our products can be competitive. We believe that this can be done through economies of scale. As a result of these measures, our Company will be able to increase its market share and profitability.

Attract and retain talented employee

Employees are essential for the success of every organization. We rely on them to operate our manufacturing facilities and deliver quality performance to our clients. We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product is very important for the Company from both customer point of view and regulatory point of view. Providing the desired and good quality product help us in enhancing our brand value and maintaining long term relationships with customers.

Invest significantly in Research and development

We intend to increase our initiatives in R&D in order to constantly study industry verticals to identify product inefficiencies in areas in which we could add value. Going forward, we intend to expand our research and development capabilities, by increasing our investment in employing qualified individuals from the industry. We believe that continued investments in R&D will enable us to increase our productivity, improve our operating efficiency, and enable us to penetrate existing and new market segments.

Quality control and quality assurance

Our Company has received ISO 1900:2015 certification with respect to the manufacture and supply of Specialty Chemicals. Various in-process quality checks are performed to monitor product quality during the manufacturing process.

We believe that maintaining a high standard of quality of our products and our Manufacturing Facility is critical to our Company and continued success. We have put in place systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent quality, efficacy and safety of our products.

As on December 31, 2020, our quality control teams consisted of ten permanent employees at our manufacturing facility at Shahjahanpur, Rajasthan.

Sales Marketing and Distribution

We sell our products to our customers in India and as well as outside India.

We have an in house team dedicated to marketing, distribution and sale of our products, in India and abroad. We seek to maintain direct relationships with our key customers to better understand their requirements.

Where required, we transport our products directly to our customers by land, air or sea, based on the circumstances involved and the requirements of our customers. We rely on freight forwarders to deliver our products. We do not have formal contractual relationships with our freight forwarders. The pricing for freight is negotiated on a shipment basis.

Human resources

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce is critical in strengthen our competitive position.

As on December 31, 2020, we had 99 permanent employees on our roll and 90 workers whom we engaged on a contract labour basis.

Information technology

We have implemented a modern information technology system, which helps us in day to day functioning of our business.

Regulatory and environmental matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection and hazardous waste management in relation to our manufacturing facility. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. Our Company has obtained the necessary environment related approvals in relation to our manufacturing facilities.

Health and safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and comply with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facility or under our management.

Intellectual property

As on the date of this Draft Letter of Offer, our Company does not owns any intellectual property rights in relation to its business except trademark rights against its product name i.e. TINMATE and VEEPRENE. For, further information, please see section titled 'Risk Factor' on page 22 of this Draft Letter of Offer.

Insurance

We have obtained insurance with respect to our manufacturing facility, covering *inter alia* buildings, plant and machinery, furniture and stock located therein. Insurance coverage taken by the Company during the current financial year as well as for Fiscals 2020, 2019 and 2018 for stocks, buildings, furniture, plant and machinery as below:

Sr. No.	Fiscal	Total insurance coverage taken for stocks, buildings, furniture, plant and machinery (in lakhs)
1.	2020	1,987.45
2.	2019	1,051
3.	2018	36.36

While, our Company believes that we have adequately insured our assets, we can provide no assurance in this regard for further details, see section titled "*Risk Factors*" on page 22 in this Draft Letter of Offer.

Corporate social responsibility

We were required to incur corporate social expenditure in Fiscals 2020, 2019 and 2018 in terms of Section 135(5) of the Companies Act, 2013. Accordingly, we incurred an expenditure of 52 lakhs million, 90 lakhs and ₹ 36 lakhs in Fiscals 2020, 2019 and 2018 respectively, towards donations made to below mention parties.

Properties

The details of the material properties used by our Company for our operations are set forth below:

Sr. No.	Particulars	Address	Leased/ Owned
1.	Manufacturing Facility at Shahjahanpur (Rajasthan)	Vikas Ecotech Limited G-24 to 30, F-7 & F-8, Vigyan Nagar, RIICO Industrial Area, Shahjahanpur Alwar	Land forming F-7, F-8 are owned and G-24 to 30 are on lease basis

Sr. No.	Particulars	Address	Leased/ Owned
		Rajasthan 301706]	
2.	Manufacturing Facility at Noida SEZ (Uttar Pradesh)	Vikas Ecotech Limited SDF J-06, NSEZ, Noida-Dadri Road, Noida, Phase-2, District Gautam Budh Nagar, Uttar Pradesh - 201305	Leased
3.	Registered office and Corporate Office	34/1 Vikas Apartment, East Punjabi Bagh, New Delhi 110026	Leased
4.	Sales and marketing office	34/1 Vikas Apartment, East Punjabi Bagh, New Delhi 110026	Leased

Apart from the above detailed properties, Company also hold certain other properties on lease basis which are presently not being used by the Company for business operations.

OUR MANAGEMENT

Board of Directors

Our Board of Directors presently consists of five Directors including two Executive Directors and three non-executive Directors, (out of which two are Independent Directors). Our Chairman is a Non-Executive Independent Director. The Articles of Association provide that our Company shall not have less than three Directors and not more than 15 Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Letter of Offer.

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
1.	**Mr. Gyan Prakash Govil** ***Designation:*** Chairman and Non-Executive Independent Director ***Address***: C-2/174 Janakpuri, Janakpuri B-1, S.O. Janakpuri B-1, West Delhi, Delhi 110058 ***DIN***: 08477296 ***Date of birth:*** April 28, 1951 ***Term***: 5 (five) years ***Period of directorship:*** **S**ince June 28, 2019 ***Occupation***: Teaching	69	Nil
2.	**Mr. Vikas Garg** ***Designation:*** Managing Director ***Address***: House no. 7, Road No. 41, West Punjabi Bagh, Punjabi Bagh, West Delhi, Delhi 110026 ***DIN***: 00255413 ***Date of birth:*** June 15, 1973 ***Term***: liable to retire by rotation ***Period of directorship:*** Since June 15, 1992 ***Occupation***: Business	47	1. Vikas Lifecare Limited
3.	**Mr. Suresh Kumar Dhingra** ***Designation:*** Executive Director ***Address***: A-58, Ground Floor, The Palladians, Sector 47, Gurgaon, Haryana 122018	62	Nil

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
	DIN: 03513272 ***Date of birth**:* February 2, 1958 ***Term***: Liable to retire by rotation ***Period of directorship:*** Since February 13, 2020 ***Occupation***: Service		
4.	**Mr. Vivek Garg** ***Designation**:* Non-Executive Non -Independent Director ***Address***: House no. 10, Road No. 4, East Punjabi Bagh, Punjabi Bagh, West Delhi, Delhi 110026 ***DIN***: 00255443 ***Date of birth**:* November 26, 1974 ***Term***: 5 years ***Period of directorship:*** Since July 25, 2008 ***Occupation***: Business	46	1. Emanate Pipe Private Limited 2. Maharaja Agarsen Academy Private Limited 3. Vikas Surya Buildwell Private Limited 4. A.G. Agrotech & Power Private Limited 5. Vikas Lifecare Limited
5.	**Mr. Ravi Kumar Gupta** ***Designation:*** Non-Executive Independent Director ***Address***: Regal House SCF -17, Near Andhra Bank, HUDA Commercial Complex, Rohtak, Haryana 124001 ***DIN***: 01018072 ***Date of birth**:* January 29, 1971 ***Term***: 5 (five) years ***Period of directorship:*** Since February 14, 2019 ***Occupation***: Teaching	49	Nil

Confirmations

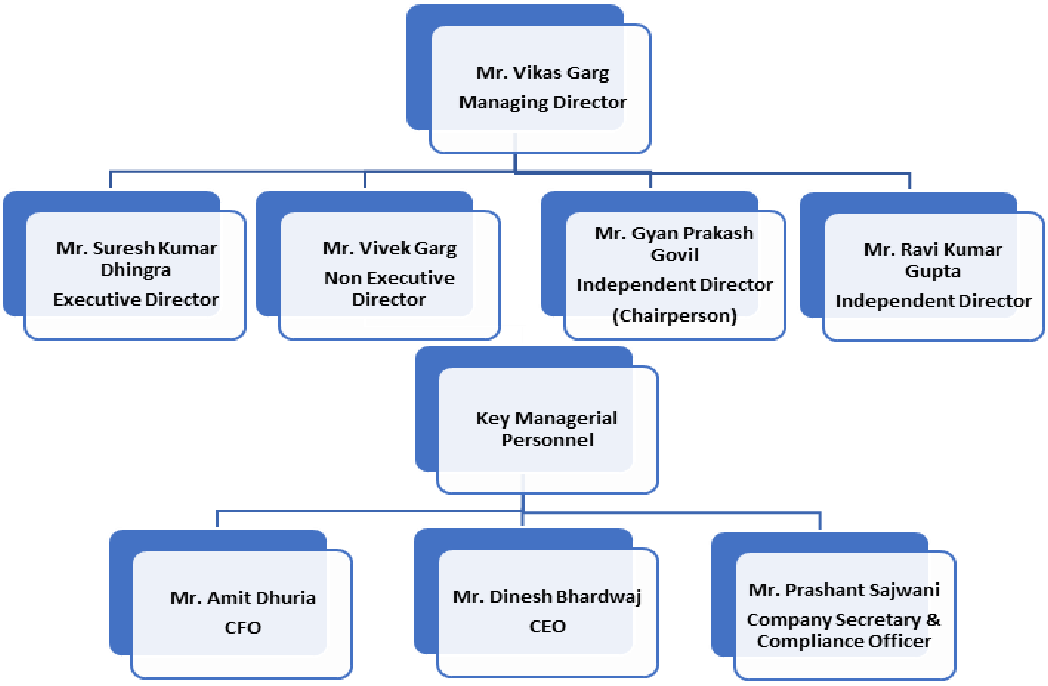
None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors is or was a director of any listed company during the last ten years immediately preceding the date of filing this Draft Letter of Offer, which has been, or was delisted from any stock exchange during the term of their directorship in such company.

Our Key Management Personnel and Senior Management Personnel

Sr. No.	Name of key management personnel and senior management personnel	Designation	Associated with Company since
1.	Mr. Vikas Garg	Managing Director	June 15, 1992
2.	Mr. Amit Dhuria	Chief Financial Officer	May 30, 2018
3.	Mr. Dinesh Bhardwaj	Chief Executive Officer	June 28, 2019
4.	Mr. Prashant Sajwani	Compliance Officer	June 1, 2020
5.	Mr. Prashant Sajwani	Company Secretary	July 31, 2020

Management Organization Structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The following tables set forth financial information derived from our Audited Financial Information for the year ended March 31, 2020 and the limited review unaudited Financial Statements for the period ended December 31, 2020 prepared in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015.We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018

[The remainder of this page has been intentionally left blank]

INDEPENDENT AUDITOR'S REPORT

To the Members of VIKAS ECOTECH LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of VIKAS ECOTECH LIMITED ("the Company"), which comprise the balance sheet as at 31st March, 2020, the statement of Profit and Loss, and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

Subject to the possible impact due to matters reported in other matters para, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its profit and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. Except for the documents/information related to matters mentioned in other matters para, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined following matters as key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How audit addressed the key audit Matter
1	**Litigation Matters**	
	The company has certain significant open legal proceedings under Direct and Indirect tax laws and civil suits, refer note 35. • Income Tax Demand Rs. 3144000 related to AY 2003-04. The appeal has been filed by the company and at present it is pending at ITAT New Delhi • Income Tax Demand Rs. 2204386 related to AY 2008-09. Letter of Request for rectification was submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since TDS credit from Lupin Ltd was not reflected in 26 AS of relevant year. • Income Tax Demand Rs. 1980580 related to AY 2009-10. Letter of Request for rectification was	Our audit procedures included and were not limited to the following: • Assessing management's position through discussions with the in-house legal expert, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussion with the management on the development in these litigations during the year ended March 31, 2020. • Obtained representation letter from the management on the assessment of these matters

S. No.	Key Audit Matters	How audit addressed the key audit Matter
	submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since TDS credit from Lupin Ltd was not reflected in 26 AS of relevant year. • Income Tax Demand Rs. 2474790 related to AY 2017-18. Letter of Request for rectification u/s 154 has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since Assessment order passed u/s 143(3) for the A.Y. 2017-18, carries mistake apparent from records. Excise demand of Rs. 3124983 related M/s Sigma Plastic Industries pertaining to FY 2014-15. The appeal has been filed by the company and at present it is pending at CESTAT, New Delhi. The Company had acquired 100% share in Sigma Plastic Industries, which was merged in the Company during financial year 2014-15. Accordingly, pending litigation of Sigma Plastic Industries has also become part of pending litigation of the Company. The Company has filed civil suit against ADM Agro Industries Kota and Akola Limited supplier of Soya Bean Oil in Saket Court Delhi (Case No-CS OS No.-198/214) amounting Rs. 99,61,516 due to poor supply of soya bean oil. The Company has suffered a loss due to such poor quality of material supplied by them and non-recovery of money from debtors and it also affect goodwill of the Company. ADM Agro Industries Kota and Akola Limited has also filed winding up petition against the Company in High Court (Case No. CO PET N. 64/2014) due to non-payment of Rs. 41,15,664 along with interest at the rate of 18% from the due date of payment. ADM Agro Industries Kota and Akola Limited has also filed a summary suit for recovery of debts in Tis Hazari Court (Summary Suit No. – C S (OS) 3077/2014) Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly, it has been considered as a key audit matter.	
2.	**Physical Verification of Inventory as on 31 March 2020**	

S. No.	Key Audit Matters	How audit addressed the key audit Matter
	Refer note 9 of the financial statements. The value of inven- tory includes raw material valuing Rs. 67.41 Crore and Fin- ished Goods valuing Rs. 41.99 Crore as on 31 March 2020. Due to COVID-19 related lockdown, inventory at different locations could not be physically verified. Being material, this has been considered as key audit matter	As an alternate procedure in accordance with Standard of Auditing, we verify and inspect supporting documents related to purchase, production and sale of inventory on test check basis. Besides this, the details of inventory and its valuation as on year ended March 20 have been certified by the management of company and cost auditor of the company.
3.	**Physical Verification of Property, Plant and Equipment as on 31 March 2020**	
	Due to COVID-19 related lockdown, physical inspection of property plant and equipment at different locations could not be done. Being material, this has been considered as key audit matter.	As an alternate procedure in accordance with Standard of Auditing, we verified and inspected supporting documents related to additions and disposals of property plant and equipment on test check basis

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) Closing stock includes stock valuing Rs. 62.97 Lacs non-moving/slow moving nature identified on the basis of ageing of stock for more than year. However, no provisioning is done since as per the management, the stock is usable and is in good condition and hence no provisioning for impairment in value of stock is required.

(b) Balances of Sundry Debtors, Sundry Creditors including advances made to suppliers and advances received from customers have been confirmed by management of the company and relied upon by us as the balance confirmations are yet to be received from some parties.

(c) Debtors include debtors amounting to Rs. 9.57 Crore which are overdue and outstanding for more than one year as on March 2020. The said balances are subject to provisioning for expected credit loss (ECL) on the basis of probability of recoverability. However, no provisioning is being done against these balances since as per the management balances are good and recoverable.

(d) Debtors include debtors amounting to Rs. 6.48 Crore which are outstanding on account of dispute with the parties. The said balances are subject to provisioning for expected credit loss (ECL) on the basis of probability of recoverability. However, no provisioning is being done against these balances since as per the management said balances are good and recoverable.

(e) Significant amount of advances to suppliers/others are subject to management view on their recoverability. Advances to suppliers include advances of Rs. 5.68 Crore which are pending for more than one year and pending for adjustment as on March 2020. However, no provisioning is being done against these balances since as per the management balances are good and recoverable.

(f) Realizations from debtors including balances that are offset with other party's balances are subject to verification from bank realization certificates.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except the information and explanation related to matters mentioned in other matters para.
    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.
    c) The company is not having any branch office and hence clause (c) of section 143(3) of the Companies Act 2013 is not applicable.
    d) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
    e) In our opinion, except as otherwise disclosed in accounting policies and notes to the financial statements, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
    f) On the basis of the written representations received from the directors of the Company as on 31st March, 2020 taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
    g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note35 to the financial statements;
        (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
        (iii) There is unclaimed dividend amounting to 255 pertaining to FY 2011-12 which needs to be transferred to Investor Education Protection Fund of India by the Company, however the same has not been transferred yet as on date and it is still under process of transfer. The Company has already passed instructions for such transfer however the respective Bank is yet to transfer the same to IEPFI.

For KSMC & ASSOCIATES
Chartered Accountants
Firm Regn. No. 003565N

CA SACHIN SINGHAL
Partner
Membership No.: 505732

Place: New Delhi
Date: 31.07.2020

ANNEXURE A

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of **Vikas Ecotech Limited** ("the Company") for the year ended March 31, 2020. We report that:

S.No.	Particulars	Auditor's Remarks
(i)	a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	In the absence of requisite documents and explanation, we are unable to comment on this.
	b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	In the absence of requisite documents and explanation, we are unable to comment on this.
	c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	According to information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the Company
(ii)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	In our opinion according to information given to us, the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
	a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	N.A.
	b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	N.A.
	c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	The company has not given any loan or guarantee or provided any security during the year.
(v)	in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the	According to the information and explanations given to us, the Company has not accepted any deposit within meaning of section 73 to 76 of the Companies Act, 2013 and rules framed there under during the year.

S.No.	Particulars	Auditor's Remarks
	nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such ac- counts and records have been so made and maintained.	The Company has maintained cost records as required as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. In this regard, Management Representation and certificate from cost auditor has been provided and relied upon by us being technical matter in nature.
(vii)	a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance Fund, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Value Added Tax, cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities but delay in deposit of the same has been observed in some of the cases. As on year end following are the unpaid statutory dues which are remaining unpaid since very long time: 1. Interest on DDT Rs. 175706 2. TDS Payable Rs. 450,497 3. Penalty on late payment of PF Rs. 129169 4. Income Tax Payable Rs. 5,51,72,910* 5. GST Payable RCM Rs. 1053009** 6. Custom Duty Payable Rs. 1,06,38,175*** *Against this liability, Rs. 44.00 Lacs has been paid on 28.07.20 **This liability has been paid on 15 July 2020. *** This amount is payable against goods damaged in fire. Against this loss, the company had lodged the insurance claim with the Insurance Company. During the year, the claim has been partly settled by the insurance company. Regarding short claim, the Company has already filled its objection with respect to short amount of insurance claim received from OIC, which is pending as on date. In view of this, the abovementioned amount payable has been put on hold for payment and shall be paid as and when insurance company settles the pending insurance claim.
	b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been de- posited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	For amounts which are not paid on account of disputes for which appeals are pending, refer Note 35 to Financial Statements for the year ended 31st March 2020.

S.No.	Particulars	Auditor's Remarks
(viii)	Whether the company has defaulted in re-payment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government or dues to debenture holders during the year.
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	During the year, the company has not raised any money by way of public offer. The amount raised by way of term loans were applied for the purpose for which those are raised.
(x)	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
(xiii)	Whether all transactions with the related par- ties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been com- plied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in re- spect of the amount involved and nature of non-compliance;	During the year under review the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence this clause is not applicable.
(xv)	whether the company has entered into any non-cash transactions with directors or per- sons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	The company has not entered into any non-cash transactions with directors or persons connected with him, hence the pro- visions of section 192 of Companies Act, 2013 are not applicable
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has	In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of

S.No.	Particulars	Auditor’s Remarks
	been obtained.	the Reserve Bank of India Act, 1934.

For KSMC & ASSOCIATES
Chartered Accountants
Firm Regn. No. 003565N

CA SACHIN SINGHAL
Partner
Membership No.: 505732

Place: New Delhi
Date: 31.07.2020

Annexure "**B**" to the Independent Auditors Report on the Financial Statements of **Vikas Ecotech Limited** (Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of VIKAS ECOTECH LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my/our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

Except for the possible impact due to matter reported in other matters para, in our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

With reference to stock and inventory, the company needs to make its inventory management system including physical stock taking process more effective and robust. Further the company also needs to improve its process for conduct of physical verification of fixed assets in phased manner at regular intervals and also process for obtaining balances confirmations from suppliers or customers at regular interval.

For KSMC & ASSOCIATES
Chartered Accountants
Firm Regn. No. 003565N

CA SACHIN SINGHAL
Partner M. No.: 505732

Place: New Delhi
Date: 31.07.2020

cr

FINANCIAL STATEMENTS

Balance Sheet as at 31 March 2020

(Amount in Lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	2959.67	3956.62
Investment Property	5	183.77	
Financial assets			
Loans	6	21.52	21.62
Deferred tax assets (net)	7	100.14	96.65
Other non-current assets	8	1796.38	1796.97
		5061.49	5871.86
Current assets		0.00	
Inventories	9	11046.37	10677.83
Financial assets			
Trade receivables	10	10802.11	16488.84
Cash and cash equivalents	11	30.94	67.46
Other bank balances	12	902.30	1367.83
Other financial assets	13	44.90	43.88
Assets Held for Sale	5	140.00	0.00
Other current assets	14	6484.52	4606.63
		29451.14	33252.48
TOTAL ASSETS		34512.62	39124.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2799.00	2799.00
Other equity	16	11500.19	11390.52
Total equity		14299.18	14189.52
Non-current liabilities			
Financial liabilities			
Borrowings	17	443.58	2490.88
Provisions	18	28.01	28.20
		471.59	2519.07
Current liabilities			
Financial liabilities			
Borrowings	17	13969.14	13036.51
Trade payables	19	2564.43	6030.89
Other financial liabilities	20	283.06	246.90

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
Provisions	18	0.59	4.59
Other current liabilities	21	2861.42	2402.46
Current tax liabilities (net)	7	63.22	694.40
		19741.85	22415.75
Total liabilities		20213.44	24934.82
TOTAL EQUITY AND IABILITIES		34512.62	39124.34

NOTES TO ACCOUNTS: forming part of Financial Statement 1 – 42

As per our report of even date attached

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Statement of Profit and Loss for the year ended 31 March 2020

(Amount in Lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
Revenue from operations	22	19218.86	24525.04
Other income	23	700.75	1399.38
Total Revenue		19919.60	25924.41
Cost of raw material and components consumed	24	16391.30	19946.74
Purchase of traded goods	25	0.00	36.60
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	26	0.00	-36.60
Employee benefits expense	27	312.78	406.83
Depreciation expense	28	476.80	476.91
Finance costs	29	1941.34	1395.01
Other expenses	30	1346.29	1216.24
Total expense		20468.52	23441.72
		0.00	0.00
Profit/(loss) before exceptional items and tax		-548.91	2482.69
Exceptional items	31	837.30	0.00
		0.00	0.00
Profit/(loss) before and tax		288.39	2482.69
Income tax expense:		0.00	0.00
Current tax		100.41	711.28
Excess/ Short provision relating earlier year tax		0.00	0.00
Interest on Income Tax earlier year		89.66	184.29
Deferred tax		-3.49	86.60
Income tax expense		186.57	982.17
		0.00	0.00
Profit for the year		101.82	1500.52
		0.00	0.00
Other comprehensive income		0.00	0.00
		0.00	0.00
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		0.00	0.00
Re-measurement gains (losses) on defined benefit plans		10.49	26.30
Income tax effect		-2.64	-7.66
Net other comprehensive income (net of tax) not to be reclassified to profit or loss in subsequent periods		7.85	18.64
		0.00	0.00
Total Comprehensive income for the year		109.67	1519.16
Earnings per share			
Basic and Diluted earnings per share	32	**0.04**	**0.54**

Statement of Changes in Equity for the year ended 31 March 2020

(Amount in Lakhs except number of Equity shares)

A. Equity share capital	For the year ended 31 March 2020	
	Issued Capital	
	Number of Shares	Amount (INR)
Balance as at 1 April 2019	279,899,675	2798.00
Shares issued during the year	-	-
Balance as at 31 March 2020	**279,899,675**	**2798.00**

B. Other equity

(Amount in Lakhs)

	Share premium	General Reserve	Retained Earnings	Other Reserves	Other Comprehensive income	Total
Balance as at 1 April 2019	1148.70	1471.20	8756.54	9.66	4.42	11390.52
Profit for the year	0.00	0.00	101.82	0.00	0.00	101.82
Other comprehensive income	0.00	0.00	0.00	0.00	7.85	7.85
Total comprehensive income	1148.70	1471.20	8858.36	9.66	12.27	11500.19
Premium on shares issued during the year	0.00	0.00	0.00	0.00	0.00	0.00
Final dividend on equity shares	0.00	0.00	0.00	0.00	0.00	0.00
Tax on final dividend on equity shares	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31 March 2020	1148.70	1471.20	8858.36	9.66	12.27	11500.19

Statement of Cash Flows for the year ended 31 March 2020

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Operating activities		
Profit before tax	288.39	2482.68
Profit before tax	**288.39**	**2482.68**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	476.80	524.44
Gain/loss on disposal of property, plant and equipment	78.82	-96.29
Reduction on account of Demerger of Undertaking		-
Loss on account of fire		-
Finance income	-124.52	-74.89
Finance costs	1941.33	1395.01
Rental income	-31.50	-5.13
Insurance Claim Received	-286.73	0.00
Working capital adjustments:		
(Increase)/ decrease in inventories	-368.53	-2818.88
(Increase)/ decrease in trade receivables	5686.73	-2574.23
(Increase)/ decrease in other bank balances	465.53	-812.32
(Increase)/ decrease in other financial assets	-0.92	-2.62
(Increase)/ decrease in other assets	-1877.25	-362.33
(Decrease)/ increase in trade payables	-3466.46	3075.43
(Decrease)/ increase in other financial liabilities	154.79	-21.63
(Decrease)/ increase in provisions	6.29	9.23
(Decrease)/ increase in other current liabilities	458.95	1957.96
(Decrease)/ increase in Current tax liabilities (net)	-631.17	-642.72
Cash generated from operations	2770.54	2033.68
Income tax paid	-192.70	-1132.51
Net cash flows from operating activities	2577.83	901.17
Investing activities		
Proceeds from sale of property, plant and equipment	142.26	429.61
(Increase)/ decrease in Investments	0.00	476.98
(Increase)/ decrease in Other Non Current Assets	-0.04	-454.34
Purchase of property, plant and equipment	-24.71	-1768.42
Insurance Claim Received (Building, P & M)	286.73	0.00
Rental income	31.50	5.13
Interest received	124.52	74.89
Net cash flows used in investing activities	560.26	-1236.13
Financing activities		
(Repyament)/Proceeds from borrowings - Non Current	-46.17	1950.16
(Repyament)/Proceeds from borrowings - Current	-1187.12	-310.80
Interest paid	-1941.33	-1395.01
Dividends paid to equity holders of the parent	0	-139.94
Dividend distribution tax	0	-29.28
Net cash flows from/(used in) financing activities	-3174.63	75.11

Particulars	As at 31 March 2020	As at 31 March 2019
Net increase in cash and cash equivalents	-36.52	-259.84
Cash and cash equivalents at the beginning of the year	67.46	327.30
Cash and cash equivalents at year end	30.93	67.46

*As per our report of even date attached

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Corporate information

Vikas Ecotech Limited ('the Company') is a Delhi based professionally managed Company incorporated on 30 November, 1984 under the Companies Act, 1956, having its registered office at Vikas Apartments, 34/1, East Punjabi Bagh, New Delhi – 110 026 and is listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE).

The Company is an emerging player in the global arena engaged in the business of high-end specialty chemicals. It is an integrated, multi-specialty product solutions company, producing a wide variety of superior quality, eco-friendly additives and rubber-plastic compounds. Its additives and rubber-plastic compounds are process-critical and value-enabling ingredients used to manufacture a varied cross-section of high-performance, environment-friendly and safety-critical products. From agriculture to automotive, cables to electrical, hygiene to healthcare, polymers to packaging, textiles to footwear, the Company's products serve a diverse range of global industry needs. The Company has its manufacturing plants in the state of Rajasthan, Noida SEZ (UP) & Kandla SEZ (Gujrat).

2. Basis of preparation

a) Statement of compliance:

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2017 with transition date of 1st April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, these financial statements have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The transition was carried out from the accounting principles generally accepted in India (Indian GAAP) which is considered as previous GAAP, as defined in Ind AS 101. An explanation of how the transition to Ind AS has impacted the Company's equity and profits.

b) Basis of measurement:

The financial statements have been prepared on accrual and going concern basis and historical cost convention, except for certain financial assets and liabilities which have been measured at fair value or amortised cost, as required under relevant Ind AS.

c) Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

Information about significant areas of estimation/ uncertainty and judgements in applying the

Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Reference	Significant judgement and estimates
Note 3(b)	Measurement of useful life and residual values of property, plant and equipment
Note 3©	Impairment test of non-financial assets: key assumptions underlying recoverable amounts
Note 3(l) and 33	Measurement of defined benefit obligations: key actuarial assumptions
Note 35	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
Note 3(o) and 37	Fair value measurement of financial assets and liabilities
Note 3(i)	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

3. Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset as current when it is:
a. Expected to be realised or intended to sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realised within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is current when:
a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current liabilities include the current portion of non-current financial liabilities. The Company classifies all other liabilities 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle basis the nature of business.

b) Property, plant and equipment

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditures related to an item of property, plant and equipment 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 repair and maintenance costs are recognised in the Statement of Profit and Loss during the reporting period in which they are 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

Depreciation methods, estimated useful lives and residual values

Assets are depreciated to the residual values on a written down value method over the estimated useful lives of the assets, derived as per the Schedule II of the Companies Act, 2013, which are as follows:-

	Useful lives
Office building	60 years
Leasehold Improvement (Office)	60 years
Leasehold Improvement (Factory Building)	30 years
Plant and machinery	10 - 15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles – Motor cycles and scooters	10 years
Vehicles – Motor cars	8 years
Computers	3 years
Leasehold land	Period of lease or useful life, whichever is less

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively, as appropriate.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/ (losses). Depreciation is calculated on a pro-rata basis for assets purchased/ sold during the year.

c) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that a non-financial asset maybe impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) Leases – Company as a lessee

The determination of whether an arrangement is(or contains) a lease is based on the substance of an arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight-lined. Contingent rents are recognized as expense in the period in Statement of Profit and Loss in which they are incurred.

e) Cash and cash equivalents

Cash and cash equivalents 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fairvalue 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 assets.

Classification and subsequent measurement

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity investments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortized cost

The category applies to the Company's trade receivables, unbilled revenue, other bank balances, security deposits, etc.

A financial asset being a 'debt instrument' is measured at amortised 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.

This category is most relevant to the Company. 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 Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Financial assets at FVTOCI

A financial asset being a 'debt instrument' is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss.

Financial assets at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.
Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. The Company does not have any financial assets which are measured through 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 at FVTPL.

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 recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. There are no such investments in the Company.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the 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 recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls),discounted at the original EIR.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised 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, security deposits, etc.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

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 risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial liabilities at amortised cost

This category includes security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the customer. Sales are net off sales returns, free quantities delivered and trade discounts.

Export Incentives

The Company recognises Export incentives such as MEIS License as per accounting principal i.e. on accrual basis.

Commission

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission earned by the Company. Further, Company also provides serivces related to Export Facilitation and the same has been recognised as sale of services under Revenue from Operations.

Rental income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leasing is also recognised in a similar manner and included under other income.

Interest income

Interest income on financial assets (including deposits with banks) is recognised as it accrues in Statement of Profit and Loss, using the effective interest rate (EIR) method (i.e. time proportionate basis) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Government grants

An unconditional government grant related to a biological asset that is measured at fair value less cost to sell is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant, they are recognised in profit or loss as other operating revenue on a systematic basis. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on systematic basis in which such expenses are recognised.

Other operating income

Other operating income is recognised on accrual basis (i.e. time proportionate basis) in the accounting period in which services are rendered and in accordance with the terms of the agreement.

h) Inventories

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is based on the first-in-first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Cost incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: Purchase cost on first-in-first out basis
- Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs
- Inventory related to real estate division: Valued at cost incurred

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Obsolete, slow moving, defective inventories, shortage/ excess are identified at the time of physical verification of inventories and wherever necessary provision/ adjustment is made for such inventories.

i) Income taxes

Income tax expenses comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). The 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (‘MAT’) credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in the Balance sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Dividend payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

k) 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Retirement and other employee benefits

Short term employee benefits are measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The Company post-employment benefits include defined benefit plan and defined contribution plans.

Contribution payable by the Company to the central government authorities in respect of provident fund, pension fund and employee state insurance are defined plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in Statement of Profit & Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the Statement of Profit and Loss. The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Gratuity is covered under the Gratuity policy respectively, of Life Insurance Corporation of India (LIC).

All expenses excluding re-measurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Re-measurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)),are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

m) Provisions

(i) **General**

Provisions are recognised 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, the reimbursement is recognised 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 (i.e. unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) **Contingent assets/ liabilities**

Contingent assets are not recognized. However, when realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.

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

n) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares (such as preferential shares, ESOP, share warrants, share application money, etc.) into equity shares.

o) Fair value measurement

The Company measures financial instruments at fair value at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or

liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
II. Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
III. Level 3- Inputs for the assets or liabilities that are not based on observable market data(unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

p) Foreign currency

Functional and presentation currency

The Company's financial statements are presented in **Indian** Rupees (INR), which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information is presented in INR, except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the 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. Differences arising on settlement or translation of **monetary** items are recognized in Statement of Profit or Loss.

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 fairvalue 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 recognised in OCI or profit or loss, respectively).

Foreign exchange gains/ (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis.

q) Corporate social responsibility expenditure

Pursuant to the requirements of section 135 of the Act and rules thereon and guidance notion "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from 1 April 2015, CSR expenditure is recognised as an expense in the Statement of Profit and Loss in the period in which it is incurred.

4. Segment Reporting

The Company is in the business of manufacturing of Specialty Additives, Compounds & Polymers and hence has only one reportable segment as per 'Ind-AS 108: Operating Segments.

5. Property, plant and equipment

(Amount in Lakhs)

Particulars	Leaseholad Land	Office Building	Lease Hold Improvments (Factory Building)	Plant and equipment	Furniture & fixtures	Vehicles	Office Equipment	Computers	Total
Cost or valuation									
At 1 April 2019	478.18	1126.03	744.89	3067.38	26.65	328.45	86.16	73.25	5930.99
Additions	0.00	0.00	0.00	16.50	4.00	0.00	4.21	0.00	24.71
Assets clasified as Investment Property *	0.00	-195.00	0.00	0.00	0.00	0.00	0.00	0.00	-195.00
Disposals / Assets Held for Sale #	0.00	-379.55	0.00	-3.01	0.00	0.00	0.00	0.00	-382.56
At 31 March 2020	478.18	551.49	744.89	3080.88	30.65	328.45	90.36	73.25	5378.15
Depreciation									
At 1 April 2019	27.72	20.88	292.19	1238.42	22.07	234.15	76.99	61.95	1974.38
Charge for the year	3.26	43.23	44.46	336.56	2.01	28.00	4.16	5.70	467.37
Assets clasified as Investment Property *	0.00	-1.80	0.00	0.00	0.00	0.00	0.00	0.00	-1.80
Disposals / Assets Held for Sale #	0.00	-20.56	0.00	-0.92	0.00	0.00	0.00	0.00	-21.48
At 31 March 2020	30.97	41.76	336.65	1574.06	24.08	262.15	81.15	67.65	2418.47
Net book value									
At 31 March 2020	447.20	509.73	408.24	1506.81	6.57	66.31	9.21	5.60	2959.67
At 31 March 2019	450.46	1105.15	452.70	1828.96	4.58	94.30	9.17	11.30	3956.62

(Amount in Lakhs)

Depreciation									
At 1 April 2019	27.72	20.88	292.19	1238.42	22.07	234.15	76.99	61.95	1974.38
Charge for the year	3.26	43.23	44.46	336.56	2.01	28.00	4.16	5.70	467.37
Assets classified as Investment Property*	0.00	-1.80	0.00	0.00	0.00	0.00	0.00	0.00	-1.80

Depreciation									
Disposals / Assets Held for Sale #	0.00	-aw20.56	0.00	-0.92	0.00	0.00	0.00	0.00	-21.48
At 31 March 2020	30.97	41.76	336.65	1574.06	24.08	262.15	81.15	67.65	2418.47

(Amount in Lakhs)

Net book value									
At 31 March 2020	447.20	509.73	408.24	1506.81	6.57	66.31	9.21	5.60	2959.67
At 31 March 2019	450.46	1105.15	452.70	1828.96	4.58	94.30	9.17	11.30	3956.62

Investment Property

(Amount in Lakhs)

Particulars	Investment Properties
Cost or valuation	
At 1 April 2019	
Reclassified from PPE*	195.00
Disposals	0.00
At 31 March 2020	195.00

(Amount in Lakhs)

Depreciation	
At 1 April 2019	0.00
Reclassified form PPE*	1.80
Charge for the year	9.44
Disposals	0.00
At 31 March 2020	11.23

(Amount in Lakhs)

Net book value	
At 31 March 2020	183.77
At 31 March 2019	0.00

**Asset has been reclassified as Investment property as per IND AS 40 as property interests held under a lease accounted for as an operating lease.*

 # During the year under consideration, The company has entered into MOU dated 05/03/2020 with Prospective Buyers for sale of Office No. 404 in the Building known as "Express Zone", Western Express Highway, Malad (East) Mumbai, Maharashtra for consideration of Rs. 1,40,00,000/- and received an advance of Rs. 1,29,00,000/- against the same. Further, Execution of Sale deed will take place in F.Y. 2020-21.and accordingly as on year end the said property has been classified as Assets held for Sale at lower of Carrying value and fair value less cost to sell.

6. Loans

(Amount in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless otherwise stated		
Security deposit	21.52	21.62
	21.52	21.62

7. Taxes

a) **Amounts recognized in Statement of profit and loss comprises:**

(i) Statement of profit and loss

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current tax	100.41	711.28

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax	-3.49	86.60
Excess/ Short provision relating earlier year tax	-	-
Income tax expense	96.91	797.88

(ii) Other comprehensive income

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax benefit on re-measurement of defined benefit plan	2.64	7.66
Income tax charged to OCI	2.64	7.66

b) Current tax liabilities (net)

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current tax assets	39.82	24.54
Current tax liabilities	-103.05	-718.93
	-63.22	-694.40

c) Reconciliation of effective tax rate

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Net income before tax	298.88	2482.69
Enacted tax rate in India	25.17%	29.12%
Computed tax expense	75.22	722.96
Increase/ decrease in taxes on account of:		
Tax effect on exempted income under Income-tax Act	0.00	-14.87
Adjustment on account of Demerger	0.00	0.00
Tax impact of restatement of Prior period items	0.00	-21.79
Adjustment on account of permanent difference	27.69	-43.62
Adjustment on account of other than permanent difference	0.13	0.00
Excess/ Short provision relating earlier year tax	0.00	0.00
Income tax expense recognized in the statement of profit and loss (including portion of other comprehensive income)	103.05	642.68

d) Deferred tax asset/ (liabilities)

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset in respect of: Property, plant and equipment	92.76	85.38
Provision for Gratuity, Bonus & Leave Encashment	7.38	11.27
Total deferred tax asset	100.14	96.65

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by same taxation authority. During the year the Company has increased its existing Deferred Tax Assets by Rs. 349.00 Lakhs .

e) Reconciliation of deferred tax assets

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	92.76	85.38
Tax credit during the year recognized in Statement of profit and loss	7.38	11.27
Closing balance	100.14	96.65

5. Other non-current assets

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless otherwise stated		
Capital advances	1794.65	1794.60
Other Non-Current Assets	1.74	2.37
	1796.38	1796.97

6. Inventories

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
At cost or net realizable value, whichever is lower		
Raw materials	6741.55	10051.70
Finished goods	4199.95	521.26
Goods in transit	0.00	0.00
Real estate Inventory	104.87	104.87
	11046.37	10677.83

(Valued and certified by the Company's Management, Independent Cost Accountant and Relied upon by Auditors)

The Company is in the business of High End additives and rubber-plastic compounds and accordingly deals in numerous items such as Tin Alloy / Ingots, 2EthylhexylThiogycolate, Tinmate, Hydrogen Peroxide, PVC Resin, Styrene Butadiene Copolymer, Styrene Butadiene Styrene, Methyl Chloride (Gas) etc. Keeping in view the nature of industry and vast number of items, it is not practical for the Company to give item wise break up of different type of products.

7. Trade receivables

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless otherwise stated	10802.11	16488.84
	0.00	0.00
	10802.11	16488.84

Trade receivables are subject to confirmation / reconciliation, consequential adjustment if any and reification from Bank realization certificates

The carrying amount of trade receivables approximates their fair value, is included in note 37.

The Company’s exposure to credit risk and impairment allowances related to trade receivables is disclosed in Note 41.

8. Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash in hand	1.53	2.26

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks	0.00	0.00
On current accounts	8.87	42.49
On cash credit limits - Repayable on demand	0.00	0.00
Unpaid dividend account *	20.53	22.71
	30.94	67.46

* During the year Company has identified Rs. 255.00 pertaining to Fy 2011-12 which needs to be transferred to Investor Education Protection Fund of India. The Company has already passed instructions for such transfer however the respective Bank is yet to transfer the same to IEPFI.

9. Other bank balances

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with bank held as margin money		
Bank deposits (with maturity within 12 months from the reporting date)	902.30	1367.83
	0.00	0.00
	902.30	1367.83

10. Other financial assets

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good unless otherwise stated		
Interest accrued but not due on deposits	44.90	43.88
	0.00	0.00
	44.90	43.88

11. Other current assets

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance to suppliers*	6070.56	3246.29
Security Deposits Refundable	10.60	10.99
MEIS Licence	80.67	5.84
Advance to employees	3.81	2.36
Other taxes recoverable	74.33	407.86
Prepaid expenses	58.04	57.77
Other Current Assets	186.51	875.52
	6484.52	4606.63

*Advance to suppliers are subject to confirmation / reconciliation, consequential adjustment if any.

12. Share capital

a) **Equity share capital**

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised shares		
320,000,000 equity shares of Re. 1 each	3200.00	3200.00
Issued, subscribed and fully paid-up shares		
279,899,675 equity shares of Re. 1 each	2799.00	2799.00
	2799.00	2799.00

b) Reconciliation of number of shares outstanding at the beginning and end of year

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Equity shares, issued, subscribed and fully paid-up		
Shares at the beginning of the year	2799.00	2799.00
Issued during the year	0.00	0.00
Shares at the end of the year	2799.00	2799.00

c) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

d) Details of shareholders holding more than 5% shares in the Company

(Amount in Lakhs)

Equity shares, issued, subscribed and fully paid-up	As at 31 March 2020	
	No. of shares	%age
Vikas Garg	27,844,711	9.95%
Vikas Multicorp Limited	36,913,548	13.19%
Jayanti Shamji Chedda HUF	19,996,000	7.14%

Equity shares, issued, subscribed and fully paid-up	As at 31 March 2019	
	No. of shares	%age
Vikas Garg	27,844,711	9.95%
Vikas Multicorp Limited	38,166,140	13.64%
Jayanti Shamji Chedda HUF	20,000,000	7.15%

e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any share for consideration other than cash during the period of five year immediately preceding 31 March 2020.

13. Other equity

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Share premium	1148.70	1148.70
General reserve	1471.20	1471.20
Retained earnings	8858.36	8756.54
Other reserve	9.66	9.66
Other comprehensive income	12.27	4.42
	11500.19	11390.52

(Amount in Lakhs)

a) Share premium

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	1148.70	1148.70
Additions during the year on account of issue of equity shares	0.00	0.00
Closing balance	1148.70	1148.70

b) General reserve

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	1471.20	1471.20
Closing balance	1471.20	1471.20

c) Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	8756.54	7425.26
Additions during the year	101.82	1500.52
Less: Final dividend on equity shares	0.00	-139.95
Less: Tax on final dividend on equity shares	0.00	-29.28
Closing balance	8858.36	8756.54

d) Other reserves (capital reserve)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	9.66	9.66
Additions during the year	0.00	0.00
Closing balance	9.66	9.66

e) Dividends

Particulars	As at 31 March 2020	As at 31 March 2019
Cash dividend on equity shares declared and paid		
Final dividend for 31 March 2018: Rs.0.05 per share	0.00	139.95
Dividend distribution tax on final dividend	0.00	29.28
Total cash dividend	0.00	169.23

f) Other Comprehensive Income – Re-measurement of defined benefit plans (net of tax)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	4.42	-14.22
Actuarial gains/ (losses) on defined benefit plan for the r (net of tax)	7.85	18.64
Closing balance	12.27	4.42

14. Borrowings

a) **Non-current borrowings**

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Loan from banks and Others		
Vehicle loans	2.38	6.23
Business loan	0.00	59.98
Fixed assets loans	441.20	607.89
Unsecured Loan	0.00	1816.78
Total non-current borrowings	443.58	2490.88

b) Current borrowings

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current portion of secured term loan from banks		
Secured Loans		
Vehicle loans	3.88	22.97
Business loan	60.52	155.95
Fixed assets loans	40.35	44.46
Cash credit limits – Repayable on demand		
Bank of Baroda	1203.06	1541.81
DBS bank	0.00	664.19
Oriental Bank of Commerce	5134.89	5260.59
Punjab National Bank	1116.82	985.97
HSBC Bank Limited	0.00	0.00
State Bank of India	1998.25	1975.20
PCFC Bank of Baroda	0.00	107.85
PCFC DBS	0.00	0.00
PCFC Oriental Bank of Commerce	1775.37	1831.79
PCFC Punjab National Bank	739.63	669.11
PCFC HSBC Bank Limited	0.00	0.00
Unsecured Loans	0.00	0.00
Unsecured Loan	2001.12	0.00
	14073.88	13259.89
Less: Amount disclosed under 'Other financial ities' *	-104.75	-223.38
	13969.14	13036.51

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 41.

* Current portion of secured term loan from banks is disclosed under note 20, 'Other financial liabilities'.

Secured term loans from banks

a) HDFC-Vehicle Loan Agreement No 38982281 was taken during 2016 year and carries interest @ 9.37% per annum. The loan is repayable in 36 instalments of Rs. 207,805 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company. This loan has been discharged completely during the FY 2019-20.

b) ICICI Loan No-LADEL00035146099 was taken during 2016 year and carries interest @ 9.10% per annum. The loan is repayable in 36 instalments of Rs. 201,906 each along with interest from the date of Loan. The loan is secured by hypothecation of car of the Company. The loan shall be fully repaid by 10.12.2019.

c) Toyota Financial Services India Ltd - NDEL1085441 was taken during 2016 year and carries interest @ 9.24% per annum. The loan is repayable in 60 instalments of Rs. 35,496 each along with interest from the date of loan. The loan is secured by hypothecation of car of the Company. The loan shall be fully repaid by 10.10.2021.

d) Term Loan II-8767025001865 (Oriental Bank of Commerce). The Term Loan is secured on the 1st exclusive charge by way of hypothecation on plant & machinery financed by OBC. The rate of interest shall be one year MCLR+2%. The loan shall be fully repaid by 30.04.2020.

e) Term Loan III-8767025002281 (Oriental Bank of Commerce). The Term Loan is secured on the 1st exclusive charge by way of hypothecation on plant & machinery and construction of Building financed by OBC. The rate of interest shall be one year MCLR+2%. The loan shall be fully repaid by 30.09.2020.

f) ICICI LAP A/c No. LBDEL00004899038: Vikas Ecotech Ltd. has taken Loan Against Immovable Commercial property from ICICI Bank during Feburary'2019. Repayable in 91 EMI of Rs 8,67,358.00 each & Date of EMI is 05th of next month. The Term loan is secured against Office No. 404, 405, 408,409 & 410 in the Building known as "Express Zone", Western Express Highway, Malad (East) Mumbai, Maharashtra and the property is in the name of the Company.

Secured Fund Based (Cash Credit, PCFC etc.) & Non Fund Based limits from Banks

- The Company is availing working capital limits under consortium from Oriental Bank of Commerce, Bank of Baroda, Punjab National Bank and State Bank of India with Oriental Bank of commerce as lead banker in consortium and others banks are member banks.

- The Company is availing a cash credit (Hypothetical) limit of Rs. 5,820 Lacs which include PCFC Limit of RS 2,580 Lacs from Oriental Bank of Commerce against Hypothecation of stock, receivable, and advance to suppliers and other current assets on pari-passu basis with consortium members. No DP against stock and Book debts exceeding 180 days to be allowed. Margin 20% and the rate of interest are one year Bank MCLR + 1.5%. Further the Company is also availing LC / DA / DP basis non Fund Based Limit of Rs.2,760 Lacs (which includes both side inter change ability LC to CC for Rs.1,000 Lacs) for procurement of Raw Material and spares. Cash Margins is 15% in the shape of FDR on LC limits.

- The Company is also availing Cash Credit limit of Rs.1,550 Lacs from Bank of Baroda. The limit is secured by way of hypothecation of stock, receivables & other current assets on pari-passu basis with consortium members. DP shall be permitted against receivable upto180 days. Margin is 20% & Rate of interest is one year MCLR+Strategic Premium+6.50%.

- The Company is also availing Cash Credit limit of Rs.1,530 Lacs from Punjab National Bank with a sub limit of PC / PCFC/ FBP / FBD of Rs. 720 Lacs under the same Cash Credit limit. The limit is secured by way of hypothecation of stock, receivables & other current assets on pari-passu basis with consortium members. DP shall be permitted against receivable upto 180 days. Margin is 20% & Rate of interest is one year MCLR +6.00%. Further the Company is availing Non-Fund Based LC (Import /Inland /DP /DA /BG, Buyers Credit) limits of Rs.690 Lacs (which includes both side inter change ability LC to CC for Rs.170 Lacs) for procurement of raw material and spares. Cash Margin is 15% in the shape of FDR.

- The Company had also availed Cash Credit limit of Rs.700 Lacs from Development Bank of Singapore with a sub limit of PC / PCFC / FBP / FBD of Rs. 700 Lacs under the same Cash Credit limit which has been fully repaid during the FY. The limit was secured by way of hypothecation of stock, receivables & other current assets on pari-passu basis with consortium members. This facility has been fully paid off by Company and DBS has issued No Dues Certificate on 03.03.2020 against the same.

- The Company is also availing Cash Credit limit of Rs.2,000 Lacs from State Bank of India with a sub limit of PC / PCFC / FBP / FBD of Rs. 500 Lacs under the same Cash Credit limit. The limit is secured by way of hypothecation of stock, receivables & other current assets on pari-passu basis with consortium members. DP shall be permitted against receivable upto 180 days. Margin is 20% & Rate of interest is 2.50% above MCLR. Further the Company is availing Non Fund Based LC (Import /Inland /DP/ DA/ BG, Buyers Credit) limits of Rs. 1000 for procurement of raw material and spares .Cash Margin is 15% in the shape of FDR.

Further, the Fund Based & Non Fund Based limits from Banks are secured by Mortgage of following Collateral Assets:

a) Property bearing Khasra No.14/5/2 6min, 15/1/2, 9/2 &10 min Vill Ghevra, Near Mundka Railway Crossing, Delhi owned by Ms. Seema Garg and Ms. Namita Garg.

b) Roof right of Property 34/1, Vikas Apartments, East Punjabi Bagh, New Delhi owned by Company.

c) Industrial property at Industrial Growth Centre, Phase1, Dist. Samba, J&K owned by Company.

d) Land & building situated at Industrial Growth Centre, Phase-1, Dist. Samba, J&K owned by Company.

e) F-5, Vikas Apartment, 34/1, 1st Floor, East Punjabi Bagh, New Delhi owned by Ms. Seema Garg.

f) Industrial property at G-30 RIICO Industrial Area, Vigyan Nagar, Shahjahanpur Dist. Alwar, Rajasthan.

g) Property situated at Khasra no. 710/201 in Village Rithala, Delhi owned by Mr. Vivek Garg.

h) A-28 Khasra No.12/10 and 13/6 Village Kamrudin Nagar Nangloi owned by Ms. Seema Garg and Ms. Usha Garg.

i) 770, Khasra No.142/770, situated at Village Khanjawala, New Delhi owned by Ms. Usha Garg

j) B-1, 34/1, Vikas Apartment, Punjabi Bagh, New Delhi owned by Ms. Usha Garg.

k) Land situated village Sultanpur Dabas, New Delhi owned by Company.

l) Industrial property at G-24-29 RIICO Industrial Area, Vigyan Nagar, Shahjahanpur Dist. Alwar Rajasthan, owned by Company.

m) Industrial Property No. - F-7 & 8, Vigyan Nagar RIICO Indl. Area, Shahjahanpur, Tehsil Neemrana Distt. Alwar, Rajasthan.

Further, the Fund Based & Non-Fund Based limits are guaranteed by personal guarantee of the following persons:

a) Mr. Nand Kishore Garg
b) Mr. Vikas Garg
c) Mr. Vivek Garg
d) Ms. Seema Garg
e) Ms. Usha Garg
f) Ms. Namita Garg

15. Provisions

a) Long-term provisions

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gratuity	**28.01**	**28.20**
	28.01	**28.20**

b) Short-term provisions

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gratuity	**0.59**	**4.59**
	0.59	**4.59**

16. Trade payables

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding to micro and small enterprises*		
Total outstanding to creditors other than micro and small enterprises	2564.43	6030.89

Particulars	As at 31 March 2020	As at 31 March 2019
	0.00	0.00
	2564.43	6030.89

* Based on the information presently available with the management, there are no dues outstanding to micro and small enterprises Covered under the 'Micro, Small and Medium Enterprises Development Act, 2006'.

The Company exposure to liquidity risk related to the above financial liabilities is disclosed in Note 41.

Trade Payables are subject to confirmation / reconciliation, consequential adjustment if any.

17. Other financial liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of non-current borrowings	104.75	223.38
Unclaimed dividend	20.19	22.71
Bank overdrafts	158.12	0.80
	283.06	246.90

18. Other liabilities, current

(Amount in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers*	1850.54	1895.72
Advance received against assets held for sale	129.00	0.00
Accrued expenses	132.47	105.10
Other Liabilities	4.90	0.00
Statutory dues payable	744.50	401.64
	2861.42	2402.46

19. Revenue from operations

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations		
Sale of products	18740.53	24198.77
Sale of Services	478.33	326.26
	19218.86	24525.04

20. Other income

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Foreign exchange fluctuation gain	0.00	81.45
Interest income	124.52	74.90
Rebates and discounts received	457.53	726.69
Profit/loss on sale of fixed assets	0.00	96.29
Excise refund received	0.00	0.00
Other Receipts	8.43	373.78
Rental income	31.50	5.14
Export incentive	78.75	41.13

	700.75	1399.38

21. Cost of material consumed*

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening inventory of raw material, work in progress and finished goods	10572.97	6969.45
Add: Purchases (including direct expenses and overheads)	16759.84	23550.26
Less: Closing inventory of raw material, work in progress and finished goods	-10941.51	-10572.97
	16391.30	19946.74

Details of inventory

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Closing Inventory*		
Inventory of raw material, work in progress and finished goods	10941.51	10572.97

22. Purchase of traded goods*

(Amount in Lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of traded goods (including direct expenses and overheads)	0.00	36.60
	0.00	36.60

23. Change in inventory*

(Amount in Lakhs))

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Closing stock of traded goods and real estate inventory	104.87	104.87
Opening stock of traded goods and real estate inventory	104.87	68.27
(Increase)/ Decrease in Inventory (traded goods and real estate inventory)	0.00	-36.60

*The Company is in the business of High End additives and rubber-plastic compounds and accordingly deals in numerous items such as Tin Alloy / Ingots, 2 Ethylhexyl Thiogycolate, Tinmate, Hydrogen Peroxide, PVC Resin, Styrene Butadiene Copolymer, Styrene Butadiene Styrene, Methyl Chloride (Gas) etc. Keeping in view the nature of industry and vast number of items, it is not practical for the Company to give item wise break up of different type of products.

24. Employee benefit expense

t(Amount in Lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	268.44	352.81
Contribution to provident and other funds	14.34	13.22
Staff welfare expenses	30.00	40.79
	312.78	406.83

***'Salaries, wages and bonus' includes gratuity and other post-employment benefits. Refer note 33 for details.**

25. Depreciation expense

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on tangible assets	476.80	476.91
	476.80	476.91

26. Finance costs

(Amount in Lakhs))

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses		
- On borrowings	1664.59	1186.27
- On others	4.24	6.72
Other financing charges	272.50	202.02
	1941.34	1395.01

27. Other expenses

(Amount in Lakhs))

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Demurrage on export	0.00	24.66
Freight outward	451.62	424.55
Legal and professional	119.71	213.33
Statutory Audit Fees	10.00	10.00
Directors' sitting fees	0.80	0.79
Travelling and conveyance	35.73	56.43
Profit/loss on sale of fixed assets	78.82	0.00
Donation	6.40	7.36
Corporate social responsibility expenditure	52.00	90.00
Insurance	88.86	74.77
Electricity Expenses	9.58	9.62
Loading and unloading expenses	21.75	21.09
Security Charges	26.83	28.91
Advertisement and promotion	27.40	4.79
Repairs and maintenance	0.00	0.00
Plant and machinery	44.79	39.11
Buildings	1.39	1.94
Others	2.97	2.50
Printing and stationery	5.59	8.63
Postage and courier	2.21	3.02
Communication costs	10.92	8.44
Rent	31.57	39.67
Foreign exchange fluctuation gain	193.47	0.00

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for Impairment of Assets	0.00	47.54
Rates and taxes	37.43	52.98
Vehicle Running Expenses	7.95	11.61
Miscellaneous expenses	78.51	34.50
	1346.29	1216.24

Payments to Statutory auditors *(Amount in Lakhs)*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory Audit fees	10.00	10.00
Taxation and Other matters – fees	1.35	2.75
	11.35	12.75

28. Exceptional items

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Insurance Claim Received (Building, P & M)	286.73	0.00
Insurance Claim Received (Inventory)	550.57	0.00
	837.30	0.00

29. Earnings per share

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value per share	1	1
Profit attributable to equity shareholders for computing Basic and Diluted EPS (A)	109.67	1519.16
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	2799	2799
Diluted effect on weighted average number of equity shares outstanding during the year		
Weighted average number of equity shares outstanding during the year for computing Diluted EPS (C)	2799.00	2799.00
Basic earnings per share (A/B)	**0.04**	**0.54**
Diluted earnings per share (A/C)	**0.04**	**0.54**

NOTES TO FINANCIALS

30. Employee benefits

The Company has recognized the following amounts in the statement of profit and loss:

Defined contribution plan

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Employer’s contribution to provident fund	10.10	7.61
	10.10	7.61

Defined benefit plan

The Company operates a defined benefit gratuity plan, wherein every employee, who has rendered at least five years of continuous service, is entitled to the gratuity benefit equivalent to 15 days of total basic salary last drawn for each completed year of service, in terms of Payments of Gratuity Act, 1972. The Company has taken Group Gratuity Scheme for the employees from the LIC of India. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each reporting period, as required under Ind- AS 19 – Employee Benefits.

a) Reconciliation of present value of defined benefit obligation:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Present value of benefit obligation at beginning of year	32.79	49.85
Current services cost	3.77	5.35
Interest cost	2.53	3.89
Benefits paid	-	-
Re=measurements of Actuarial (gain)/ loss arising from		
- Change in demographic assumptions	-0.01	
- Change in financial assumptions	3.71	0.41
- Experience variance (i.e. Actual experience vs. assumptions)	(14.19)	-26.71
Present value of benefit obligation at end of year	28.60	32.79

b) Reconciliation of present value of plan assets:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value of plan assets at beginning of year	4.83	4.48
Investment income	0.37	0.35
Return on plan assets, excluding amount recognised in net interest expense	0.00	0.00
Fair value of plan assets at end of year	5.21	4.83

c) Expense recognised in the statement of profit and loss

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost	3.77	5.35
Interest cost	2.16	3.54
	5.93	8.89

d) **Amount recognised in other comprehensive income:**

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gain)/ losses		
Changes in demographic assumptions	-0.01	
Changes in financial assumptions	3.71	0.41
Experience variance (i.e. actuarial experience vs. assumptions)	-14.19	-26.71
Return on plan assets, excluding amount recognised in net interest expense	0.00	0.00
Components of defined benefit costs recognised in other comprehensive income	-10.49	-26.30

e) **Assumptions used to determine the benefit obligation are as follows:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.80%	7.70%
Expected rate of increase in compensation levels	6.00%	6.00%
Retirement age	60 years	60 years
Withdrawal rates:		
Upto 30 years	3.00%	3.00%
31 – 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Mortality Rate (% of Indian Assured Live Maturity2006-08)
Assumptions regarding future mortality rate are based on published statistics and mortality tables.

f) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 13 years. The expected maturity analysis of undiscounted gratuity is as follows

Expected cash flows over the next (valued on undiscounted basis)

(Amount in Lakhs)

Particulars	Amount 31 March 2020	Amount 31 March 2019
1 year	0.59	4.59
2 to 5 years	2.74	3.00
6 to 10 years	4.11	6.38
More than 10 years	93.77	97.31

g) **Sensitivity analysis**

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is:

(Amount in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (1% movement)	33.62	24.50	37.36	28.98
Salary growth rate (1% movement)	24.44	33.61	28.89	37.40

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Attrition Rate (- / + 50% of attrition rates)	28.36	28.80	32.30	33.21
Mortality Rate (- / + 10% of mortality rates)	28.59	28.61	32.76	32.82

The sensitivity analyses are based on change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognized in the Balance Sheet.

31. Operating lease

The Company has taken various premises on operating leases. The underlying agreements are executed for a period generally ranging from one year to three years except long term leases, renewable at the option of the Company and the lessor. There are no restrictions imposed by such leases and there are no sub leases. The rent charged and minimum rental payments to be made in the future in respect of these operating leases are as under:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Lease rental charged to the Statement of profit and loss	31.57	39.67
Obligation on non-cancellable lease*	0.00	0.00
Within one year	25.44	23.57
Later than one year but not later than three years	50.89	47.13
	76.33	70.70

* Obligation related to operational lease of Rajasthan guest house has not been considered due to short term nature.

32. Contingencies

a) Guarantees

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bank guarantees issued by banks on behalf of the Company*	315.04	311.00
Duty against advance license	88.54	13.43
	403.58	324.43

* Above Figures are stated without considering margin money given by the company, for margin money details please refer Note no. 12

b) **Claims not acknowledged as debts**

(Amount in Lakhs)

Nature of statute	Period to which amount relates	Nature of dues/ demand	Amount	Forum in which dispute is pending
Income Tax Act	A.Y. 2003-04	Income tax demand	31.44	ITAT, Delhi
Income Tax Act (refer below point-1)	A.Y. 2008-09	Income tax demand	22.04	ACIT Circle 26(2), New Delhi

Nature of statute	Period to which amount relates	Nature of dues/ demand	Amount	Forum in which dispute is pending
Income Tax Act (refer below point-2)	A.Y. 2009-10	Income tax demand	19.81	ACIT Circle 26(2), New Delhi
Income Tax Act (refer below point-3)	A.Y. 2017-18	Income tax demand	24.75	ACIT Circle 26(2), New Delhi
Excise (refer below point-3)		Excise Duty Demand (Sigma Plastic Industries)	31.25	CESTAT (Chandigarh)

1) Letter of Request for rectification has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since demand created on account of TDS credit not reflected in 26 AS of relevant year.

2) Letter of Request for rectification has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since demand created on account of TDS credit not reflected in 26 AS of relevant year.

3) Letter of Request for rectification u/s 154 has been submitted to The Asst. Commissioner of Income Tax [Circle 26(2)], New Delhi since Assessment order passed u/s 143(3) for the A.Y. 2017-18, carries mistake apparent from records.

4) The Company acquired 100% share in Sigma Plastic Industries, which was merged in the Company during financial year 2014-15. Accordingly, pending litigation of Sigma Plastic Industries has also become part of pending litigation of the Company.

The Company has filed civil suit against ADM Agro Industries Kota and Akola Limited supplier of Soya Bean Oil in Saket Court Delhi (Case No-CS OS No.-198/214) amounting Rs. 99,61,516 due to poor supply of soya bean oil. The Company has suffered a loss due to such poor quality of material supplied by them and non-recovery of money from debtors and it also affect goodwill of the Company. ADM Agro Industries Kota and Akola Limited has also filed winding up petition against the Company in High Court (Case No. CO PET N. 64/2014) due to non-payment of Rs. 41,15,664 along with interest at the rate of 18% from the due date of payment. ADM Agro Industries Kota and Akola Limited has also filed a summary suit for recovery of debts in Tis Hazari Court (Summary Suit No. – C S (OS) 3077/2014).

33. Capital commitment

(Amount in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)*	30.37	30.41

* The Company has intended to purchase the property for Rs. 18,25,01,400 at New Rohtak Road, New Delhi.

The Company has made the payment of Rs. 17,94,64,646/- for the same till 31 March 2020, which is shown as per Note No. 8 under "other non-current assets" in the Balance Sheet. Balance payment and the registration will be done in upcoming years and the same will be registered in the name of the Company after completing all the formalities after taking over possession of units.

34. Fair value measurement and financial instruments

Financial instruments – by category and fair value hierarchy

The following table shows the carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy:

(Amount in Lakhs)

Financial assets	Carrying Amount	
	31 March 2020	31 March 2019
- At amortised cost		
Loans	21.52	21.62
Investments in Shares	0.00	0.00
Trade receivables	10802.11	16488.84
Cash and cash equivalents	30.94	67.46
Other bank balances	902.30	1367.83
Other financial assets	44.90	43.88
	11801.77	17989.64
Financial liabilities		
- At amortised cost		
Borrowings (non-current)	443.58	2793.10
Borrowings (current)	13969.14	13036.51
Trade payables	2564.43	6030.89
Other financial liabilities	283.06	246.90
	17260.21	22107.40

	Fair Value	
Financial assets	**31-Mar-20**	**31-Mar-19**
- At amortised cost		
Loans	21.52	21.62
Investments in Shares	0.00	0.00
Trade receivables	10802.11	16488.84
Cash and cash equivalents	30.94	67.46
Other bank balances	902.30	1367.83
Other financial assets	44.90	43.88
	11801.77	17989.64
Financial liabilities		
- At amortised cost		
Borrowings (non-current)	443.58	2490.88
Borrowings (current)	13969.14	13036.51
Trade payables	2564.43	6030.89
Other financial liabilities	283.06	246.90
	17260.21	21805.18

The following methods / assumptions were used to estimate the fair values:

a) The carrying value of cash and cash equivalents, trade receivables and trade payables and liabilities approximate their fair values mainly due to short-term maturities of these instruments.

b) The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. These are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

c) The Company's borrowings have been contracted at floating rate of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value. Borrowings (Current) includes loan from director stated at carrying value which has been reclassifed as current from non current. In the previous year, the said loan was classified as Borrowings (non current) and was stated at amortised cost using discounting rate of 9.65% p.a.

There are no significant unobservable inputs used in the fair value measurement.

Fair value hierarchy

All financial instrument for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

(Amount in Lakhs)

Financial assets	Level	As at 31-Mar-20	As at 31-Mar-19
Financial assets			
- At amortised cost			
Loans	Level 3	21.52	21.62
Investments in Shares	Level 3	0.00	0.00
Trade receivables	Level 3	10802.11	16488.84
Cash and cash equivalents	Level 3	30.94	67.46
Other bank balances	Level 3	902.30	1367.83
Other financial assets	Level 3	44.90	43.88
		11801.77	17989.64
Financial liabilities			
- At amortised cost			
Borrowings (non-current)	Level 3	443.58	2490.88
Borrowings (current)	Level 3	13969.14	13036.51
Trade payables	Level 3	2564.43	6030.89
Other financial liabilities	Level 3	283.06	246.90
		17260.21	21805.18

During the year ended 31 March 2020, there were no transfers between Level 1, Level 2 or Level 3 fair value measurements.

35. Related party disclosures

In accordance with the requirements of Ind-AS - 24 "Related Party Disclosures", the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

A. List of related parties

1. **Company with common Director**
Vikas Multicorp Limited
Ketav Multicorp Pvt Ltd.

2. **Key management personnel (KMP)**

Vikas Garg	Managing Director
Vivek Garg	Whole time Director
Ashutosh Kumar Verma	Ex-Chief Executive Officer and Whole time Director
Suresh Kumar Dhingra	Whole time Director
Dinesh Bhardwaj	Chief Executive Officer
Devender Kumar Garg	Ex-Director (Finance)
Amit Dhuria	Chief Financial Officer
Pooja Vanjani	Ex-Company Secretary
Preeti Rai	Ex-Company Secretary
Prashant Sajwani*	Company Secretary

3. **Relative of Key management personnel (KMP)**

Seema Garg

Related party transactions represent transactions entered into by the Company with directors, key management personnel and relatives of key management personnel. The transactions with these related parties for the year ended 31 March 2020 and balances as at 31 March 2020 are described below:

(Amount in Lakhs)

Nature of transaction	Company with Common Director	KMP and Relative	Total
Sales	1682.01	0.00	1682.01
Purchases	525.86	0.00	525.86
Advance against supplies	215.50	0.00	215.50
Trade Receivable	2834.71	0.00	2834.71
Rent paid	-	4.75	4.75
Director remuneration	-	26.71	26.71
Director sitting fees	-	0.40	0.40
Other current liabilities acknowledged	-	4.90	4.90
Notional Interest on Unsecured Loan	-	302.22	302.22
Salary and allowances to KMP*	-	28.01	28.01
	5258.08	366.99	5625.07
Balances as at 31 March 2020	0.00	0.00	0.00
Unsecured Loan	0.00	2001.12	2001.12
Advance against supplies	215.50	0.00	215.50
Trade Receivable	2834.71	0.00	2834.71
Other current Liabilities	0.00	9.66	9.66

* Segregation of post-employment benefit plans of gratuity for individuals cannot be ascertained.

Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

36. Status of Insurance Claim

The company has reported exceptional item on account of fire loss of Unit-II of RIICO Industrial Area, Shahjahanpur, Alwar, Rajasthan, in the financial statement for the year ended 31.03.2017. Now the Company has received insurance claim of Rs. 8,37,30,430/-on 20.09.2019 and in accordance with the accounting policies, the Company has accounted the proceeds from insurance claim in the Financial year 2019-20 and accordingly consider the same as income and it is reflecting under "Exceptional items" as per Note no. 31. However, the Company has already filled objection with respect to short amount of insurance claim received from OIC.

37. Impact of Covid-19

The Company had closed its manufacturing plants and offices with effect from March 22, 2020 following countrywide lockdown due to Covid-19. Subsequent to the year end, the Company's manufacturing facilities and offices had resumed operations in gradual manner, in later part of the first quarter of the current fiscal, adhering to the safety norms prescribed.

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, inventories, and trade receivables and based on the current estimates, the Company expects the carrying amount of these assets will be recovered.

Further, the management believes that there is impact of Covid-19 pandemic on performance of the Company in the short term but no significant impact on financial position and performance is likely in long-term. The Company will continue to closely monitor any material changes to future economic conditions.

38. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Company is exposed to market risk (interest rate risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market Risk – Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates related primarily to the Company's borrowings with floating interest rates.

Exposure to interest rate risks

The Company's interest rate risk arises majorly from the borrowings carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

(Amount in Lakhs))

Variable rate instruments	As at 31 March 2020	As at 31 March 2019
Secured loan from banks (including current maturities)	12510.09	13904.79

Interest rate sensitivity analysis

A reasonably possible change of 0.5% in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.
(Amount in Lakhs))

Particulars	Statement of Profit and Loss 31.03.2020		Statement of Profit and Loss 31.03.2019	
	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Interest on loan				
For the year ended 31 March 2020	66.04	-66.04	69.91	-69.91

Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

(Amount in lakh)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Trade receivables	10	1080211	1648884
Cash and cash equivalents	11	3094	6746
Other bank balances	12	90230	136783
Other financial assets	13	4490	4388

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is generally limited as the Company transacts with Banks having a high credit ratings assigned by domestic credit rating agencies.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment gain or loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience of customers. Based on the business environment in which the Company operates, management considers that the trade receivables are not in default (credit impaired) as there is very good track record against sales realisations and further there is Zero bad debts in past, hence the Company based upon past trends determined that an impairment allowance for loss on trade receivables is not required.

The ageing analysis of trade receivables as of the reporting date is as follows:

(Amount in Lakhs)

Particulars	Within due date	Less than 30 days	30 to 60 days	60 to 90 days	90 days & Above	Total
Trade receivables as at 31 March 2020	6723.06	341.42	197.51	277.77	3262.35	10802.11
Trade receivables as at 31 March 2019	11756.53	616.58	616.13	563.03	2936.57	16488.84

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on account of its borrowings, receivables and other payables in foreign currency. The functional currency of the company is Indian Rupee.

The foreign currency exchange management policy is to minimize economic and transactional exposures arising from currency movements against the US dollar & Euro. The Company manages the risk by netting off naturally-occurring opposite exposures wherever possible, and then dealing with any material residual foreign currency exchange risks if any.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020, 31 March 2019 are as below:

(Amount in Lakhs)

Particulars	Currency	31-Mar-20	31-Mar-19
Trade receivables	INR	162.47	63.46
Trade Payables	INR	1199.98	635.58
Borrowings	INR	2515.00	2608.75
Net Foreign Currency Exposure	INR	-3552.51	-3180.86

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar & Euro at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of INR	Year ended 31 March 2020		Year ended 31 March 2019	
1% movement	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
INR for Foreign Currency Exposure	-35.53	35.53	-31.81	31.81

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

((Amount in Lakhs))

	As at 31 March 2020					
	Carrying amount	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Borrowings	13969.14	0.00	13969.14	0.00	0.00	13969.14
Trade payables	2564.43	2052.76	511.67	0.00	0.00	2564.43
Other financial liabilities	283.06	230.68	52.37	0.00	0.00	283.06

	As at 31 March 2019					
	Carrying amount	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Bank Borrowings	13036.51	0.00	13036.51	0.00	0.00	13036.51
Trade payables	6030.89	5422.40	608.49	0.00	0.00	6030.89
Other financial liabilities	246.90	135.21	111.69	0.00	0.00	246.90

Capital management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

The Company's capital consists of equity attributable to equity holders that includes equity share capital, retained earnings and long term borrowings.

(Amount in Lakhs)

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Total liabilities	14517.47	15750.76
Less: Cash and cash equivalent	30.94	67.46
Adjusted net debt (a)	14486.53	15683.30
Total equity (b)	14299.18	14189.52
Total equity and net debt (a+b) = c	28785.71	29872.81
Capital gearing ratio (a/c)	**50.33%**	**52.50%**

39. Note on Demerger

The Board of Directors of the Company in its meeting held on May 29th, 2017 had approved the 'Scheme of Arrangement' for the Demerger of High Volume 'Recycled Compounds and Trading Division' of Vikas EcoTech Limited (Demerged Undertaking) (having net assets of approx. book value of Rs. 29.57 Crores as on 1stApril, 2017) into Vikas Multicorp Limited (Resulting Company). An application was moved before the Hon'ble NCLT principal bench, New Delhi for obtaining necessary orders under Section 230-232 of the Companies Act, 2013, with a view of vesting of demerged undertaking, the appointed date under the Scheme for demerger is 1stApril, 2017. The order of Hon'ble NCLT Delhi was received by company on 06.11.2018 and all the effects related to approved scheme has taken into consideration while finalaizing the Books of Accounts for FY 2017-18 & 2018-19.

Limited Review Report on Standalone quarterly financial results of Vikas Ecotech Limited pursuant to the requirement of Regulation 33 of the SEBI (LODR) Regulations, 2015

Review report to the Board of Directors of Vikas Ecotech Limited

We have reviewed the accompanying statement of unaudited financial results of Vikas Ecotech Limited for the quarter ended 31th December 2020. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Other Matters

a. Closing stock, subject to physical verification, has been valued and certified by the management of the company and relied upon by us. The inventory as on 31st December 20 stands to the tune of Rs.117.53 Crores. The inventory holding level, being significantly higher as compare to sales trends of the company, is subject to management view and business expediency.

b. Balances of Sundry Debtors, Sundry Creditors including advances made to suppliers and advances received from customers have been confirmed by management of the company and relied upon by us as the balance confirmations are not received fully yet from the parties.

c. The advances given to suppliers amounting to Rs. 85.50 Crores, being significantly higher as compare to purchase trends of the company is subject to management view and business expediency. An advance to suppliers includes advances of Rs. 10.99 Crores which are pending for more than one year and pending for adjustment as on Dec 2020 and includes Rs. 2.52 Crores as disputed amount. No provision is being done against these balances since as per the management balances are good and recoverable.

d. Debtors includes debtors amounting to Rs. 13.31 Crores which are overdue and outstanding for more than one year as on Dec 2020. Further debtors includes debtors amounting to Rs. 6.36 Crores which are outstanding on account of dispute with the parties The said balances are subject to provisioning for expected credit loss (ECL) on the basis of probability of recoverability. No provision is being done against these balances since as per the management balances are good and recoverable.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared results prepared in accordance with applicable principles laid down in the accounting standard 34 Interim Financial Reporting (IND AS 34) prescribed under Section 133 of the Companies Act' 2013 read with relevant rules issued there under and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For KSMC & Associates
Chartered Accountants
FRN.003565N

CA SACHIN SINGHAL
(Partner)
M. No-505732
UDIN: 21505732AAAAAH2779

Place: New Delhi
Date: 23.01.2021

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER, 2020

(Figures in Lakhs)

	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
I	Revenue from operations (Refer Note 1 and 2)	2,839.78	435.743	517.335	794.403	1558.349	1921.886
II	Other Income	398.69	10.681	12.439	52.001	80.717	70.074
III	**Total Revenue (I+II)**	**3,238.47**	**446.424**	**529.774**	**846.404**	**1639.066**	**19,91.960**
IV	**Expenses:**						
	Cost of material consumed	2,535.65	3,522.28	4,153.25	6,745.99	12,922.30	16,391.30
	Change in stock	-	-	-	-	-	-
	Employee Benefit Expense	111.88	59.64	85.43	214.18	232.99	312.78
	Financial Costs	432.02	439.31	443.44	1,257.27	1,396.16	1,941.33
	Depreciation and Amortization Expense	96.02	96.67	102.61	288.06	343.32	476.81
	Other Expenses	56.91	122.17	501.52	257.14	1,068.40	1,346.29
	Total Expenses	**3,232.48**	**4,240.07**	**5,286.25**	**8,762.64**	**15,963.17**	**20,468.51**
V	**Profit** before Exceptional Items and Tax	**5.99**	**224.17**	**11.49**	**(298.60)**	**427.49**	**(548.91)**
VI	Exceptional items / Prior Period Income / (Expenses) (refer note 1 and 6)	-	-	-	-	837.30	837.30
VII	Profit before Tax	**5.99**	**224.17**	**11.49**	**(298.60)**	**1,264.79**	**288.39**
VIII	Profit before Tax	**5.99**	**224.17**	**11.49**	**(298.60)**	**1,264.79**	**288.39**
IX	**Tax Expense:**	-	**-**	**-**	**-**	**-**	**-**
	(1) Current Tax	4.46	(4.50)	(35.08)	(0.04)	280.38	100.40
	(2) Deferred Tax	-	-	-	-		(3.49)
	(3) Previous Year Income Tax	-	44.00	203.03	44.00	203.03	89.66
	(4) Excess/ Short provision relating earlier year tax	-	-	-			
X	Profit/(Loss) from the period from Operations	**1.53**	**184.67**	**(156.46)**	**(342.56)**	**781.38**	**101.82**

	Particulars	Three Months Ended			Nine Months Ended		Year Ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
XI	**Other comprehensive income**						
	A. (i) Items that will not be reclassified to profit or loss	18.07	(17.25)	(1.07)	0.16	10.30	10.49
	(ii) Income Tax frelating to items that will not be reclassifed to profit or loss.	(4.54)	4.33	0.27	(0.04)	(2.59)	(2.64)
	B. (i) Items that will be reclassied to profit or Loss .						
	(ii) Income Tax frelating to items that will be reclassifed to profit or loss.						
		13.53	(12.92)	(0.80)	0.12	7.71	7.85
XII	**Total comprehensive income (Comprising Profit (Loss) and Other Comprehensive Income for the period)**	**15.06**	**171.75**	**(157.26)**	**(342.44)**	**789.09**	**109.67**
XIII	**Net Worth**						
	Paid up Equity Share Capital, Equity Shares of ` 1/- each	2,799.00	2,799.00	2,799.00	2,799.00	2,799.00	2,799.00
	Other Equity excluding Revaluation Reserve	11,153.24	11,138.18	12,308.99	11,142.57	12,308.99	11,500.18
XIV	**Earning per Equity Share:**						
	(1) Basic	0.01	0.06	(0.06)	(0.12)	0.28	0.04
	(2) Diluted	0.01	0.06	(0.06)	(0.12)	0.28	0.04

**Financial Results for the Quarter ended 31st DECEMBER, 2020*

STATEMENT OF ACCOUNTING RATIOS

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements and the Unaudited December Financial Results included in "*Financial Statements*" as above:

(Amount in Lakhs)

Particulars	Period ended Dec 31, 2020	Year ended March 31, 2020	Year ended March 31, 2019
Basic Earnings Per share (Rs.)	-0.12	0.04	0.54
Diluted Earnings Per shaare (Rs.)	-0.12	0.04	0.54
EBITDA	682.88	2,005.78	2,955.23
Return on Net Worth			
Profit/(Loss) for the period/year **(A)**	-342.44	101.82	1,500.52
Net Worth			
Equity Share Capital	2,799.00	2,799.00	2,799.00
Other Equity*	11,159.53	11,500.19	11,390.52
Net Worth at the end of period/year **(B)**	**13,958.53**	**14,299.18**	**14,189.52**
Return on Net worth (%=A/B)	**-2.45%**	**0.71%**	**10.57%**
Net Assets Value per Equity Share			
Net worth at the end of the period/year** **(C)**	13,959	14,299	14,190
Number of equity shares outstanding at the end of the period/year** **(D)**	279,899,675	279,899,675	279,899,675
Net assets value per equity Share (Rs.) **(C/D)**	4.99	5.11	5.07

*This includes capital reserves and other reserves

**Net Worth is derived from the Financials and comprises of equity share capital and other equity.

Notes:

1. The figures disclosed above are derived from the Financials.

2. The ratio has been computed as below:

$$\text{Basic Earning Per Share} = \frac{\text{Net Profit after Tax}}{\text{Weighted average number of equity shares outstanding during the period/year}}$$

$$\text{Diluted Earning Per Share} = \frac{\text{Net Profit after Tax}}{\text{Weighted average number of equity shares outstanding during the period/year}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net Profit after Tax}}{\text{Restated Net Worth}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net Worth}}{\text{Number of equity shares as at the period/year end}}$$

3. Earnings per share (EPS) calculation is in accordance with Ind-AS 33 - Earning per share

4. Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, 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 period.
5. EBITDA" means earnings before interest, tax, depreciation and amortization. It has been calculated as follows: profit before tax – other income + finance cost + depreciation and amortization expense

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 74 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 22 and 18, respectively of this Draft Letter of Offer, *which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2020 included herein is based on the Audited Financial Statements and the financial information included herein for the nine months ended December 31, 2020 is based on the Unaudited December Financial Results, included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 74 of this Draft Letter of Offer.

Neither we, nor the BRLMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information – Market and Industry Data" beginning on page 16 of this Draft Letter of Offer.

Business overview

Our Company was originally incorporated as Vikas Leasing Limited in New Delhi on November 30, 1984 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company received the certificate for commencement of business on [insert]. Subsequently, the name of our Company was changed to, Vikas Profin Limited and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on January 7, 2002. The name of the Company was changed once again to Vikas Globalone Limited and our Company received the fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at Delhi on December 31, 2008. Finally, the name of our Company was changed to Vikas Ecotech Limited a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on October 21, 2015. The Corporate Identity Number (CIN) of our Company is L65999DL1984PLC019465.

During the Fiscal 2018-19, Our Company hived off its 'high volume recycled compounds and trading divison' which merged into Vikas Multicorp Limited vide scheme of demerger under section 230-232 of Companies Act, 2013 duly approved by Hon’ble National Company Law Tribunal vide certificate copy of order dated [●] and received by us on November 6, 2018. The appointed date under the scheme of demerger was April 1, 2017. Due to the said demerger coupled with effect of Covid -19, there is a considerable decrease in sales as compared to previous year and thus decline in profit

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Draft Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We are a company engaged in the Manufacturing and Trading of Speciality Chemicals. Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control including the performance of the Indian economy and the Speciality Chemicals industries and the price of raw materials.

However, there are some specific items that we believe have impacted our results of operations, and in some cases, may continue to impact our results of operations on a consolidated level and at our individual projects in future. In this section, we discus some of the significant factors that we believe have or could have an impact on our revenue and expenditure. Please also see the section titled Risk Factors on page 22 of this Draft Letter of Offer.

SUMMARY OF THE RESULTS OF OPERATION:

(Amount in Lakhs)

Particulars	As on 31.12.2020	For the year ended March 31,	
		2020	2019
Revenue:	-		
Sales of products manufactured	7,925.75	18,740.52	24,198.77
As a % of Total Revenue from Operation	*99.77*	*97.51*	*98.67*
Sales of products traded			-
As a % of total Revenue from Operation			-
Sales of Services	18.28	478.33	326.26
As a % of total Revenue from Operation	*0.23*	*2.49*	*1.33*
Revenue From Operations (Net of Taxes)	**7,944.03**	**19,218.85**	**24,525.03**
As a % of Total Revenue		*96.48*	*90.91*
Other Income	520.01	700.75	2,451.86
As a % of Total Revenue	*6.14*	*3.52*	*9.09*
Total Revenue	**8,464.04**	**19,919.60**	**26,976.89**
Expenses:	-		
Cost of Material Consumed	6,745.99	16,391.30	20,983.73
Purchase of Traded Goods			36.60
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-36.60
Excise Duty			
Employee benefit expenses	214.18	312.78	407.02
Financial Cost	1,257.27	1,941.34	1,579.28
Depreciation and amortization expenses	288.06	476.80	476.90
Others Expenses	257.14	1,346.29	1,210.62
Total Expenses	**8,762.64**	**20,468.51**	**24,657.57**
As a % of Total Revenue	*103.53*	*102.76*	*91.40*
Profit before exceptional, extraordinary items and tax	-298.60	-548.91	2,319.32
As a % of Total Revenue	*-3.53*	*-2.76*	*8.60*
Less: Exceptional Items	-	-	-
Profit before extraordinary items and tax (A-B)	-298.60	-548.91	2,319.32
As a % of Total Revenue	*-3.53*	*-2.76*	*8.60*
Exceptional Item	-	837.30	-

Particulars	As on 31.12.2020	For the year ended March 31,	
		2020	2019
Profit before tax	**-298.60**	**288.39**	**2,319.32**
As a % of Total Revenue	*-3.53*	*1.45*	*8.60*
Tax expense :			
Current tax	43.96	190.06	595.11
Deferred Tax	-	-3.49	86.60
Total Tax Expenses	**43.96**	**186.57**	**681.71**
As a % of Total Revenue	-	*0.94*	*2.53*
Profit/(Loss) for the period After Tax (**PAT)**	**-342.56**	**101.82**	**1,637.61**
As a % of Total Revenue	*-4.05*	*0.51*	*6.07*

OVERVIEW OF RESULTS OF OPERATION

Comparison of Financial Year ended March 31, 2020 with Financial Year ended March 31, 2019

***Revenue from Operations*:**

The operating income of the Company for the year ending March 31, 2020 is ₹ 19218.85 Lakhs as compared to ₹24525.03 Lakhs for the year ending March 31, 2019, showing an decrease of 21.64% which is as a result of reduction in sale of Manufactured Goods.

***Other Income*:**

The other income of the company for the year ending March 31, 2020 is ₹ 700.75 lakhs as compared to ₹ 2451. 86 lakhs for the year ending March 31, 2019, showing a decrease of 71.42%. Interest income is received less in comparison to previous year and there is no profit on sale of fixed assets which has resulted in decrease in other income for FY 2018-19.

Expenditure

Employee benefit expenses decreased from ₹ 407.02 Lakhs in financial year 2018-19 to ₹ 312.78 Lakhs in financial year 2019-20. Our other expenses increased by 11.21% from ₹ 1210.62 Lakhs in financial year 2018-19 to ₹1346.29 Lakhs in financial year 2019-20. Other Expenses mostly includes freight outward, travelling & conveyance expenses, Professional & Consultancy fees and other misc. expenses.

***Cost of Material Consumed*:**

Material Consumed Cost decreased from ₹20983.73 Lakhs in financial year 2018-19 to ₹16391.30 Lakhs in financial year 2019-20.

Depreciation

Depreciation expenses decreased from ₹ 476.90 Lakhs in financial year 2018-19 to ₹ 476.90 Lakhs in financial year 2019-20

Profit before Tax

Profit before tax decreased from ₹2319.32 Lakhs in financial year 2018-19 to ₹ 548.91 Lakhs in financial year 2019-20.

The company is not able to generate higher net profit before tax.

<u>**Research and Development**</u>

Vikas Ecotech Limited is in the domain of producing chemical industry, as vast as the chemical industry is spread, the greater is the need to continuously work on the Research and Development aspect of the sector. The Company is well aware of the only improvisation and the product quality is the vital for the growth and sustainability of the Company.

R&D is one of the driving forces for expansion in the company. Research and development is one of our key strengths and is integral to our growth. We continue to build on our capabilities and competencies in the field of chemistry. Our in-depth expertise in process research, process development and analytical references enables us to provide integrated solutions to our global customers.

Environmental Health and Safety

Chemicals have become an indispensable part of human life, sustaining activities and development, preventing and controlling many diseases, and increasing agricultural productivity. Despite their benefits, chemicals may, especially when misused, cause adverse effects on human health and environmental integrity. Widespread application of chemicals throughout the world increases the potential of adverse effects.

Growth of chemical industries, both in developing and in developed countries, is predicted to increase. In this context, it is recognized that the assessment and management of risks from exposure to chemicals is among the highest priorities in pursuing the principles of sustainable development.

Risks, Concerns, Internal Control Systems and their Adequacy

The major risk that concerns the Company is its business risk. The Company is subjected to a high business risk in terms of its high dependability on other Industries for demand of its products carrying the nature of raw materials.

Periodic checks are carried out on all systems and processes as part of internal audit. The Audit Committee and Board also periodically reviews adequacy of Company's checks and controls for risk management. The Board has developed a Risk Management Policy which identifies elements of business & other risks involved and constantly works towards curbing the same. Adequacy of internal financial controls with reference to the Financial Statements is also assessed and reviewed periodically.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Statutory Auditors also evaluate the efficacy and adequacy of internal control systems including controls with respect to the financial statements, its compliance with operating systems, accounting procedures and policies in the Company. Corrective actions are undertaken basis findings of audits.

Human Resources

The Company places utmost importance on maintaining cordial employer-employee relations as Human Resource Capital is the most valuable asset for any organization. A reward system has been developed by the Company to compensate efforts of all its employees adequately and recognize their contribution towards its growth. A remuneration policy has also been developed and adopted by the Company which provides for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. Key features of the policy are discussed as part of Board's Report and the policy is also available at website of the Company www.vikasecotech.com.

Disclaimer

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax, corporate and other applicable laws together with the other incidental factors.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company;(iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

Pending Litigations Relating to the Company

Pending Litigations Relating to the Company		
(i)	Labour Cases filed against our Company	: Nil
(ii)	Labour Cases filed by our Company	: Nil
(iii)	Civil Cases filed against our Company	: 3
(iv)	Civil Cases filed by our Company	: 30
(v)	Criminal cases against our company	: 1
(vi)	Criminal cases filed by our company	: Nil
(vii)	Tax related matters	: Not Ascertainable*

* since it includes the TDS defaults for the "prior years"

Civil Litigation against our Company

1. ***<u>ADM Agro Industries Kota and Akola Private Limited v. Vikas Ecotech Limited – Company Petition Number 64/2014</u>***

   ADM Agro Industries Kota and Akola Private Limited ("**Petitioner**") has filed a winding up suit against our Company in the Hon'ble Delhi High Court for the winding up of our Company due to default of payment of monies amounting to Rs. 41,15,664 along with interest at the rate of 18% against supply of goods. The matter is presently pending.

2. ***<u>ADM Agro Industries Kota and Akola Private Limited v. Vikas Ecotech Limited – Civil Suit Number 612915/2016</u>***

   ADM Agro Industries Kota and Akola Private Limited ("**Petitioner**") has filed a civil suit against our Company in the Tis Hazari Courts, Delhi for the recovery of monies amounting to Rs. 41,15,664 along with interest against our company for supply of goods due on alleged unpaid invoices. The matter is presently pending.

3. ***<u>Pradip Kumar Banerji v. Vikas Ecotech Limited – C.S. (COMM) No. 771/2017</u>***

Pradip Kumar Banerji has filed a commercial suit against our Company at the Delhi High Court for recovery of an amount of Rs. 1,10,00,000 pertaining to a claim under the ESOP Scheme, 2011. The matter is presently pending.

Civil Litigation by our Company

1. ***Vikas Globalone Ltd. (now Vikas Ecotech Limited) v. ADM Agro Industries Kota and Akola Private Limited – Civil Suit Number 11124/16***

Our Company ("**Petitioner**") has filed a Civil Suit before the Learned Additional District Judge, Saket Courts, New Delhi on account of defective refined soyabean oil supplied by ADM Agro Industries Kota and Akola Private Limited, claiming a loss in production and opportunity cost besides the loss of reputation and goodwill caused to our Company on account of the defective refined soyabean oil. The suit is valued at Rs. 99,61,516. The matter is presently pending.

2. ***Vikas Ecotech Ltd. v. The Additional Director General Directorate of Revenue Intelligence & Ors. – Writ Petition Number 2524 of 2019***

Our Company ("**Petitioner**") has filed a writ petition against the Directorate of Revenue Intelligence ("**DRI**"), the Principle Commissioner of Customs (Import), Inland Container Depot ("**ICD**"), Tughlakabad, New Delhi; the Commissioner of Customs, ICD, Nhava Sheva; the Commissioner of Customs, ICD, Patparganj; and the Deputy Commissioner of Customs, ICD, Kathuwas in the Delhi High Court. Our Company has contended that the DRI had initiated various investigations against our Company on our imports which were not allowed to be cleared at various ports including at ICD, Tughlakhabad; ICD, Nava Sheva; and ICD, Kathuwas. This resulted in halt in our manufacturing process. Our Company agreed to deposit Customs Duty in protest by issuing bank guarantees equivalent to 20% or 50% of the customs duty amounting to a cumulative of Rs. 2,25,50,000. The petition was filed on account of the inaction of the Respondents to finalise the provisional assessment with regard to 20 bills of entry which were filed by the Petitioner at various ports for the period from January, 2018 to July, 2018. Although the reports post the investigation came out in favour of the Petitioners, the Respondents failed to release the bank guarantees furnished at the time of assessment, despite various reminders. This matter is presently pending for hearing.

3. ***Vikas Ecotech Limited v. Principal Commissioner of Customs, Noida Customs Commissionerate***

Our Company ("**Petitioner**") has filed a writ petition against the Principal Commissioner of Customs, Noida Customs Commissionerate ("**Defendant**"). Our Company imports certain TIN Metal Ingots from a supplier in Malaysia, namely, Malaysia Smelting Corporation which avails benefits under the India-Malaysia Preferential Trade Agreement Rules, 2011. The product TIN Ingots attracts a basic customs duty of 5% and counter-veiling duty of 12.5%. However, due to preferential trade agreement between the Governments of Association of South East Asian Nations, the basic customs duty has been exempted. The Directorate of Revenue Intelligence received information from domestic industry regarding alleged violation of provisions of rules of origin under the free-trade agreement regarding the import of Tin Ingots from the supplier and on the said representation, conducted an inquiry against the supplier on the basis of which and without seeking any explanation or granting any present any case, issued a show cause notice to our Company imposing of customs duty amounting to Rs.1,90,66,956 and a penalty equal to the amount of the customs duty under the provisions of Section 114 A of Customs Act, 1962.

4. ***Vikas Ecotech Ltd. v. Union of India & Ors. – Writ Petition Number 9034 of 2019 and Civil Miscellaneous Number 37287 of 2019***

Our Company ("**Petitioner**") has filed a writ petition against the Union of India; Central Board of Indirect Taxes and Customs, New Delhi; and the Additional Director General, Directorate of Revenue Intelligence ("**DRI**"), New Delhi, in the Delhi High Court for removal of Alert imposed by DRI with respect to examination of imported raw material as to its composition, description, valuation and scheme declared by the exporter. This Alert has caused our Company's exports to be delayed and detention and demurrage charges have also been incurred. This matter is in synchronization with the matter bearing Writ Petition Number 2524 of 2019 (*detailed above*) as it pertains unreleased bank guarantees and the fact that the Customs department has shown no action to conduct the final assessment and our Company's assignment was stuck at the Petrapole for a significant period of time. Our Company has prayed for the quashing of the enquiry conducted by the DRI or for the issue of directions to complete the work in a time bound manner. The matter is presently pending for further hearing.

5. ***Vikas Ecotech Ltd. v. Union of India & Ors. – Writ Petition Number 4421/2021***

Our Company and Mr. Vikas Garg ("**Petitioners**"), a Director of our Company has filed a writ petition against the Union of India and the Director General of the Directorate of Revenue Intelligence ("**DRI**") under article 226 and 227 of the Constitution of India. The writ petition was filed in response to certain investigations by the DRI which issued alert that the Importer-Exporter Code ("**IEC**") of our Company is under investigation for mis-declaration of goods being exported against advance license. The DIR also, vide the same alert, directed that the export consignment of our Company may be overvalued, mis-classified / mis-declared to claim higher export related reward, therefore, examine carefully with respect to composition, description, valuation and scheme declared by our Company. As a result, import shipments of our Company were not allowed to be cleared at various ports of India including at ICD, Tughlakabad, ICD, Nhava Sheva and ICD, Kathuwas. This resulted in halt in our manufacturing process. Our Company agreed to deposit Customs Duty in protest by issuing bank guarantees equivalent to 20% or 50% of the customs duty amounting to a cumulative of Rs. 2,25,50,000. The petition was filed on account of the inaction of the Respondents to finalise the provisional assessment with regard to 20 bills of entry which were filed by the Petitioner at various ports for the period from January, 2018 to July, 2018. The DRI also started repeatedly summoning the functionaries/ employees and Directors of our Company on several occasions and despite the submission of all documents and appearance of the functionaries/ employees and Directors of our Company and further, recording of the Statement of Mr. Vikas Garg under Section 108 of the Customs Act, 1962. The DRI further issued two show cause notices to our Company dated January 16, 2019 and December 30, 2020 w.r.t the material seized by DRI and regarding the import and export made under the advanced authorization scheme by our Company for import and export other than the material seized by DRI.

Our Company has taken the stance that the DRI are in contravention to the law as only *Proper Officer* as defined under section 2(34) of the Indian Customs Act, 1962 was the Competent Person to issue the said show cause notice under section 28(4) for alleged recovery of duty under the Customs Act, 1962 and therefore, the Show Cause Notices dated January 16, 2019 and December 30, 2020 and all proceedings arising therefrom or ancillary thereto are required to be quashed. The matter is presently pending.

6. ***Vikas Ecotech Ltd. v. Lykos India Private Limited – Civil Suit Number 361/2020***

Our Company ("**Petitioner**") has filed a civil suit in the Commercial Court Complex Jaipur Metro II against Lykos India Private Limited for recovery of monies against the supply of poor-quality goods, primarily Tin Ingots MTM (Methyl Tin Mercaptide) by Lykos India Private Limited which resulted in damages to our Company such as production deficits, quality claims against the Company and damages to the goodwill & reputation of our Company. Our Company has claimed damages of Rs. 4,18,00,000 vide the plaint. The matter is presently pending.

7. ***Vikas Ecotech Ltd. v. Oriental Insurance Company Ltd. – Consumer Complaint Case Number 143 of 2020***

Our Company (*Petitioner*) has filed a fire insurance claim against Oriental Insurance Company in the Court of District Consumer Disputes Redressal Commission on October 16, 2020 for recovery of insurance claim against loss cause due to a fire in the Complainant's factory. Even though there was no suspicion after a close scrutiny and investigation of the claim, there was an inordinate delay of about 900 days from the date of loss, after which the Petitioners received Rs. 8,37,97,268/- which is a lot lesser than the assessed amount which was Rs. 9,34,31,202/-. Our Company has prayed for a payment of Rs. 9,89,02,732/- along with up-to-date interest @ 18% p.a. and also compensation to the tune of

Rs. 50,00,000/-. The matter is presently pending for hearing.

8. ***Vikas Ecotech Ltd. v. Principal Commissioner of Customs (Import), ICD, Tughlakabad, New Delhi - Appeal No. C/50105/2020***

Our Company (Petitioner) has filed an appeal against the impugned order in original number 27/2019/MKS/Import/ICD/TKD dated September 24, 2019, passed by the Principal Commissioner of Customs (Import), ICD, Tughlakhabad, New Delhi dated September 24, 2019 in the Customs Excise and Service Tax Appellate Tribunal, Principal Bench, New Delhi for wrongfully denying the benefit of import concessions (as per Notification No. 46/2011 dated June 11, 2011and a demand of differential duty amounting to INR 49,69,662/- along with applicable interest. The appeal is presently pending.

9. ***Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 582 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

10. ***Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 585 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

11. ***Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 930 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Saket, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

12. ***Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Number 931 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Saket, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

13. ***Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Number 932 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Saket, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

14. ***Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Number 933 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Saket, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 14,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

15. ***<u>Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 16004 of 2018</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

16. ***<u>Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 16005 of 2018</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which were issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

17. ***<u>Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 16006 of 2018</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of two cheques of Rs. 10,11,551/- and Rs. 10,00,000/- both aggregating to Rs. 20,11,551/- which were issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

18. ***<u>Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 17034 of 2018</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

19. ***<u>Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 17036 of 2018</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

20. ***<u>Vikas Ecotech Ltd. v. M/s Avon Elastomers & Ors. – Complaint Case Numbers 17032 of 2018</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate's Court at Patiala House, New Delhi against M/s Avon Elastomers and others ("**Accused**") on account of the dishonor of a cheque of Rs. 10,00,000/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

21. ***<u>Vikas Ecotech Ltd. v. M/s A.M. Vinyl Private Limited & Ors. – Complaint Case Number 583 of 2019</u>***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Patiala House Court, New Delhi against M/s A.M. Vinyl Private Limited and others ("**Accused**") on account of the dishonor of a cheque of Rs. 1,19,416/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

22. ***Vikas Ecotech Ltd. v. M/s A.M. Vinyl Private Limited & Ors. – Complaint Case Number 724 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate Tis Hazari Court, New Delhi against M/s A.M. Vinyl Private Limited and others ("**Accused**") on account of the dishonor of a cheque of Rs. 1,28,502/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

23. ***Vikas Ecotech Ltd. v. M/s Kisan Moulding Ltd. & Ors. – Complaint Case Number 12639 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate Tis Hazari Court, New Delhi against Kisan Moulding Limited and others ("**Accused**") on account of the dishonor of a cheque of Rs. 5,16,712/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

24. ***Vikas Ecotech Ltd. v. M/s Kisan Moulding Ltd. & Ors. – Complaint Case Number 12640 of 2019***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate Tis Hazari Court, New Delhi against Kisan Moulding Limited and others ("**Accused**") on account of the dishonor of a cheque of Rs. 5,16,712/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

25. ***Vikas Ecotech Ltd. v. M/s Prince Industries & Ors. – Complaint Case Numbers 968 and 970 of 2020***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate Tis Hazari Court, New Delhi against M/s Prince Industries and others ("**Accused**") on account of the dishonor of two cheques of Rs. 3,00,000/- and Rs. 4,15,198/- which were issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

26. ***Vikas Ecotech Ltd. v. M/s Prince Industries & Ors. – Complaint Case Number 2494 of 2020***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate Tis Hazari Court, New Delhi against M/s Prince Industries and others ("**Accused**") on account of the dishonor of a cheque of Rs. 5,75,880/- which was issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

27. ***Vikas Ecotech Ltd. v. M/s Prince SWR Systems Pvt. Ltd. & Ors. – Complaint Case Numbers 968 and 970 of 2020***

Our Company ("**Complainant**") has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the Chief Metropolitan Magistrate Tis Hazari Court, New Delhi against M/s Prince SWR Systems Pvt. Ltd. and others ("**Accused**") on account of the dishonor of two cheques of Rs. 3,00,000/- and Rs. 4,81,072/- which were issued by the Accused to the Company towards the payment of goods supplied by our Company to the Accused. The matter is presently pending.

28. ***Vikas Ecotech Limited v. Jindal Specialty Textiles Ltd.- IB (IBC)/541(CH)2019***

Our Company i.e. the Corporate Creditor has filed a petition of insolvency resolution process under Section 9 of Insolvency and Bankruptcy Code, 2016 at NCLT, Chandigarh against its Operational Debtor, Jindal Speciality Textiles Ltd. In the present matter our Company had supplied material to the Corporate Debtor in lieu of various invoices which were raised by our Company and duly delivered to the Operational Debtor. However, the Operational Debtor failed to make the payment within a reasonable time limit. The Operational Debtor failed to pay the invoice money amounting to Rs. 1,41,15,800/- along with interest at the rate of 24%. The matter is presently pending.

29. ***Vikas Ecotech Limited v. Kisan Moulding Ltd. - IB (IBC)/1061(MB)2020***

Our Company i.e. the Corporate Creditor has filed a petition of insolvency resolution process under Section 9 of Insolvency and Bankruptcy Code, 2016 at NCLT, Mumbai against its Operational Debtor, Kisan Moulding Ltd. In the present matter, the Operational Debtor had, on December 18, 2018 issued purchase orders to buy and bought Butyl tin Stabilizer from the Company. However, the Operational Debtor did not make timely payment of the invoice amount despite several follow-ups from the Company. The Operational Debtor failed to pay the invoice money amounting to Rs. 14,19,204/- along with interest at the rate of 24%. The matter is presently pending.

30. ***Vikas Ecotech Limited v. Soulificio Linea Italia (India) Private Limited - C.P.(IB)/689(KB)2020***

Our Company i.e. the Corporate Creditor has filed a petition of insolvency resolution process under Section 9 of Insolvency and Bankruptcy Code, 2016 at NCLT, Kolkata against its Operational Debtor, Soulificio Linea Italia (India) Private Limited. In the present matter our Company had supplied PVC compound to the Corporate Debtor in lieu of various invoices which were raised by our Company and duly delivered to the Operational Debtor. However, the Operational Debtor failed to make the payment within a reasonable time limit of as many as 41 invoices. The Operational Debtor failed to pay the invoice monies amounting to Rs. 1,77,85,130/- along with interest at the rate of 24%. The matter is presently pending.

Criminal Litigation against our Company

1. The Directorate of Enforcement, Delhi Zonal Office, New Delhi has issued a provisional attachment order ("**Order**") bearing number 04/2020 and file number ECIR/10/DZ-1/2017/16962 under Section 5(1) of the Prevention of Money Laundering Act, 2002 ("**PMLA**") against our Company and its Promoter/ Director Mr. Vikas Garg and other third parties. Through the said attachment, our bank account UCO Bank at Parliament Street, New Delhi Branch maintained with has been attached for an amount of Rs. 7,15,533/-.

   Under the said Order, it is alleged that the Indian Overseas Bank had granted various credit facilities to Green Valley Plywood Limited the account of which was declared as a NPA on October 31, 2011 with an outstanding amount of Rs. 85,31,00,000. It was alleged that Greenwood Valley Plywood Limited had cheated the bank to the tune of Rs. 70,49,59,760/- vide the limits sanctioned to it through fraudulent transactions and by furnishing fake invoices. It was alleged that there was a total of 86 letter of credits issued by the Bank in favour of 9 beneficiary companies including our Company (*which, at the time, was known as Vikas Globalone Limited*) which got devolved and not paid by the Company to the tune of Rs. 70,49,59,760/-.

   Under the said order, it was alleged that 13 Inland letters of credit amounting to Rs.9,64,37,106/- were issued to our Company and the payments against them were not made on the due date. Further, out of the aforesaid amount around Rs. 915.46 Lakhs was credited to our Company's account which in turn transferred Rs. 316.02/- lakhs to M/s Pine Décor Private Limited, Rs. 428.51/- lakhs to M/s Vintage Décor Limited, Rs. 87/- lakhs to M/s Green Valley Décor Private Limited and Rs. 83.93/- lakhs to M/s Mamchand Mahabir Prasad Private Limited. In turn, these companies transferred almost the same amount to M/s Green Valley Plywood Ltd. An investigation is still ongoing in the role played by Mr. Vikas Garg in his capacity of authorised signatory for our Company. The amount claimed as profit without any documentary of actual movement of goods by Mr. Vikas Garg on behalf of our company was Rs. 7,15,533/-. As a result, Vikas Ecotech Ltd.'s bank account maintained with UCO Bank at Parliament Street, New Delhi Branch has been attached for this amount.

   Our Company has challenged the provisional attachment order before the Hon'ble Chairperson, Adjudicating Authority by filing an Affidavit-in-Reply bearing number CT 11/2020 and OC 1288/2020 denying the allegations raised in the Order while contending that the Company was unaware of the discounting of the letter of credits. Our Company has also contended that there is no evidence linking the attached UCO bank account of the Company under the provisional order to the alleged offence and that the Joint Director did not have possession of any material which would satisfy requirements under Section 5(1) of the PMLA and justify the reasons to pass Provisional Attachment Order. The matter is presently pending.

Tax related matters

Particulars	**No. of cases**	**Aggregate amount involved (in Rs.) (in lakhs)**
Direct Tax	Not Ascertainable*	2,880.79
Indirect Tax	1	31.24
Total	Not Ascertainable*	**2,912.03**

*since it includes the TDS defaults for the "prior years"

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority in relation to the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" beginning at page 49 of this Draft Letter of Offer.

MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on page 136 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on February 9, 2021, and by the shareholders of the Company through Postal Ballot as on March 14, 2021 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board, in its meeting held on [●] has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Equity Share [(including a premium of ₹ [●] per Equity Share)] aggregating up to ₹ [●]. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to their respective letters each dated [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 158 of this Draft Letter of Offer.

Prohibition by SEBI

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter, and 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.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated

Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹ 4,950.00 lakhs.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Managers shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- 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 Draft Letter of Offer 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 Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer is set out below:

As required, a copy of this Draft Letter of Offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [•] dated [•] permission to the Issuer to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer 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 Draft Letter of Offer 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 Draft Letter of Offer; 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.

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the

Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHERJURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated May 11, 2021 from our Statutory Auditor, for inclusion of their report, dated July 31, 2020 on the Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated May 11, 2021 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated May 11, 2021 from our Statutory Auditor to include their name as required in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated July 31, 2020 on the Financial Information and the Statement of Tax Benefits dated May 11, 2021 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchanges and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Alankit Assignments Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R- WAP, see "*Terms of the Issue" beginning on page* *Error! Bookmark not defined.*. **The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:**

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Alankit Assignments Limited
2E/21, Jhandewalan Extension,

New Delhi-110055
Telephone: 011- 42541234, 23541234
Facsimile: 011- 23552001
E-mail: info@alankit.com , rta@alankit.com
Website: www.alankit.com
Contact person: Mr. Vijay Pratap Singh
Investor grievance email id: vijayps1@alankit.com
SEBI Registration No:
INR000002532

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Company Secretary and Compliance Officer

Prashant Sajwani,
34/1 Vikas Apartments,
East Punjabi Bagh,
Delhi – 110026
Telephone: +91 11 43144444
E-mail: cs@vikasecotech.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by the Eligible Equity Shareholders, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.alankit.com.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:
(i) Our Company at www.vikasecotech.com;
(ii) The Registrar at www.alankit.com;
(iii) The Lead Manager, *i.e.* www.markcorporateadvisors.com;
(iv) The Stock Exchanges at www.bseindia.com and www.nseindia.com; and
(v) The Registrar's web-based application platform at www.alankit.com ("**R-WAP**").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.alankit.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.vikasecotech.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Shareholders in this Issue, in the event the Shareholders are not able to utilize the ASBA facility for making an Application despite their best efforts). Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Shareholders).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Relaxation Circular through R-WAP) shall be treated as incomplete and shall be rejected. For details see "- *Grounds for Technical Rejection*" below. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" below.

- ***Options available to the Eligible Equity Shareholders***

  The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

  If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

  a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
  b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
  c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
  d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
  e) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

  An Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

(a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
(c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through *ASBA:*

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon

making the Application.

(d) Do not submit Application Form using third party ASBA account.

- **Making of an Application through the Registrar's Web-based Application Platform ("R-WAP")** process

In accordance with the SEBI Relaxation Circulars, a separate web-based application platform, i.e., the R-WAP facility (accessible at www.alankit.com), has been instituted for making an Application in this Issue by resident Shareholders. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Shareholders are not able to utilize the ASBA facility for making an application despite their best efforts.

At the R-WAP, resident Shareholders can access and submit the online Application Form in electronic mode using the R-WAP. Resident Shareholders, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Shareholders should enable the internet banking or UPI facility of their respective bank accounts and such Shareholders should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

(a) Prior to making an application using the R-WAP facility, the Shareholders should enable the internet banking or UPI facility of their respective bank accounts and the Shareholders should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Relaxation Circulars.

(b) Resident Shareholders should visit R-WAP (accessible at www.alankit.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

(c) Non-resident Shareholders are not eligible to apply in this Issue through R-WAP.

(d) Shareholders should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Shareholders can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.

(e) Shareholders who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares applied for in the Issue.

(f) The Shareholders shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(g) Verification, if any, in respect of Application through Shareholders' own bank account, shall be done through the latest beneficial position data of our Company containing Shareholders's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account " [●]" opened by our Company with the Escrow Collection Bank(s).

(i) For guidance on the Application process through R-WAP and resolution of difficulties faced by the Shareholders, the Shareholders are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated Shareholders helpdesk (www.alankit.com.) or call helpline number 011-40450110.

PLEASE NOTE THAT ONLY RESIDENT SHAREHOLDERS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTORS*".

Do's for Shareholders applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
(b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.
(c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.
(d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.
(e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.
(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Shareholders applying through R-WAP:

a) Do not apply from bank account of third parties.
b) Do not apply if you are a non-resident Shareholders.
c) Do not apply from non-resident account.

- **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

a) Name of our Company, being Vikas Ecotech Limited;
b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical

form as on Record Date)/DP and Client ID;

d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue

e) Number of Equity Shares held as on Record Date;

f) Allotment option – only dematerialised form;

g) Number of Equity Shares entitled to;

h) Number of Equity Shares applied for within the Rights Entitlements;

i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

j) Total number of Equity Shares applied for;

k) Total amount paid at the rate of ₹ [●] per Equity Share;

l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "*U.S. Person*" *as defined in (*"*Regulation S*"*), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.alankit.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the

Issue Closing Date.

- **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
c) The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- *Basis of Allotment*" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

(i) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
(ii) Please read the instructions on the Application Form sent to you. Application should be

complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

(iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

(vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

(viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the

SCSB.

(x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.

(xviii) Do not submit multiple Applications.

(xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

(xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

(i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(iii) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(vi) Account holder not signing the Application or declaration mentioned therein.

(vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(viii) Multiple Application Forms, including cases where an Shareholders submits Application Forms along with a plain paper Application.

(ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.

(xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.

(xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.

(xv) If an Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.

(xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

(xix) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

Applications by non-resident Shareholders.

a. Payment from third party bank accounts.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

- ***Procedure for Applications by certain categories of Shareholders***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, 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 that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should 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 will 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 warrants. 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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is

[●],2021, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "- *Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

A Shareholders who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to Alankit Assignment Limited in case of Application through R-WAP facility. However, no Shareholders, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* www.alankit.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.vikasecotech.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [•]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements the will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*www.alankit.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, **[●]**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by

Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●], 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

  All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well

.

- ***Renunciation of Rights Entitlements***

  This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

  The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

  The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

  The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

  Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

  Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

1. ***On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [•] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●], 2021 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [•] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

2. ***Off Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed

from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

For details of mode of payment in case of Application through R-WAP, see "- *Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process*" mentioned above.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.

- **Fractional Entitlements**

  The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●] Equity Shares for every [●] Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

  For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Equity Share and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

  Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- **Ranking**

  The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing

Equity Shares, in all respects including dividends.

- **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 530961) and NSE (Scrip Code: VIKASECO) under the ISIN: INE806A01020. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

a) The right to receive dividend, if declared;
b) The right to receive surplus on liquidation;
c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
d) The right to free transferability of Equity Shares;
e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act,2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

- **Market Lot**

  The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

- **Joint Holders**

  Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- **Nomination**

  Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

  Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**

  The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

- **Notices**

  In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

  Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

  All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one **Hindi language national daily** newspaper with wide circulation being the **regional language of New Delhi, where our Registered Office is situated.**

  This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.alankit.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Shareholders can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.alankit.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/

UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE.

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**[•]**
ISSUE OPENING DATE	**[•]**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	**[•]**
ISSUE CLOSING DATE*	**[•]**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**[•]**
DATE OF ALLOTMENT (ON OR ABOUT)	**[•]**
DATE OF CREDIT (ON OR ABOUT)	**[•]**
DATE OF LISTING (ON OR ABOUT)	**[•]**

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, **[•]** , 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, **[•]** , 2021.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

b. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c. Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e. Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

(i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
(ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
(iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the

SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

Unblocking amounts blocked using ASBA facility.

1. **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

3. **Direct Credit** – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders's bank receiving the credit would be borne by the Shareholders.

5. For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand s drawn in favour of the sole/first Shareholders and payable at par.

6. Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

- ***Refund payment to non-residents***

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Shareholders should ensure that such bank accounts remain valid and active.

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

- **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated September 25, 1999 with NSDL and an agreement dated March 10, 2000 with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

(i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.

(ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.

(iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.

(iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.

(v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

(vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

(vii) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the

Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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 Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 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. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;
B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

(i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

(iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vi) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

(vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed " **[•]**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

   Alankit Assignments Limited
   2E/21, Jhandewalan Extension,
   New Delhi-110055
   Telephone: 011 - 42541234,23541234
   E-mail id: info@alankit.com, rta@alankit.com
   Shareholders grievance e-mail id: vijayps1@alankit.com
   Contact person: Mr. Vijay Pratap Singh
   Website: www.alankit.com
   SEBI registration number: INR000002532

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.alankit.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011-40450110.

   (i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.alankit.com

5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.alankit.com

6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.alankit.com

7. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.alankit.com

   a) This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

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, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, 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. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded 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 Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead

Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following are the copies of contracts which have been entered or are otherwise proposed 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 years before the date of this Draft Letter of Offer) which are or may be deemed material. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.vikasecotechlimited.com from the date of this Draft Letter of Offer until the Issue Closing Date.

I. Material Contracts for the Issue

(i) Memorandum of Understanding dated May 6, 2021 between our Company and Mark Corporate Advisors Private Limited, Lead Manager to the Issue;
(ii) Registrar Agreement dated [●] entered into amongst our Company and the Registrar to the Issue;
(iii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

II. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
(ii) Annual Reports of the Company for the past five years.
(iii) Certificate of incorporation dated November 30, 1984.
(iv) Certificate of incorporation dated January 7, 2002 issued post change of name from Vikas Leasing Limited to Vikas Profin Limited.
(v) Certificate of incorporation dated December 31, 2008 issued post change of name from Vikas Profin Limited to Vikas Globalone Limited.
(vi) Certificate of incorporation dated October 21, 2015 issued post change of name from Vikas Globalone Limited to Vikas Ecotech Limited.
(vii) Order copy dated October 31, 2018 of the National Company Law Tribunal, Principal Bench, New Delhi dated March October 31, 2018 approving the Scheme of Arrangement.
(viii) Resolution of the Board of Directors dated February 9, 2021 and Resolution of the Shareholders dated March 14, 2021 in relation to the Issue.
(ix) Resolution of the Rights Issue Committee dated May 12, 2021 approving and adopting this Draft Letter of Offer.
(x) The examination report of our Statutory Auditors on our Financial Statements included in this Draft Letter of Offer.
(xi) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.
(xii) Statement of Tax Benefits dated May 11, 2021 from the Statutory Auditor included in this Draft Letter of Offer.
(xiii) Tripartite Agreement between our Company, Depository and the Registrar to the Issue.
(xiv) In-principle listing approvals dated [●], 2021 and [●], 2021 from the BSE and the NSE, respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 relevant statutes.

DECLARATION

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

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Vikas Garg
(Executive Managing Director)

Sd/-

Vivek Garg
(Non-Executive - Non-Independent Director)

Sd/-

Gyan Prakash Govil
(Non-Executive - Independent Director, Chairperson)

Sd/-

Ravi Kumar Gupta
(Non-Executive - Independent Director)

Sd/-

Suresh Kumar Dhingra
(Executive Director)

SIGNED BY THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY:

Sd/-

Amit Dhuria
(Chief Financial Officer)

Sd/-

Dinesh Bhardwaj
(Chief Executive Officer)

Sd/-

Prashant Sajwani
(Company Secretary and Compliance Officer)

Date: May 12, 2021
Place: Delhi