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|  <p style="text-align: center;">A-1 ACID LIMITED CIN: L24119GJ2004PLC044011</p> | |
| <p>Our Company was originally incorporated as “A-1 Acid Private Limited” under the Companies Act, 1956 on April 22, 2004 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli as a Private Limited company under the provisions of the Companies Act, 1956 bearing registration no. 044011. The status of the Company was changed to public limited and the name of our Company was changed to “A-1 Acid Limited” vide Special Resolution dated January 22, 2018. The fresh certificate of incorporation consequent to conversion to Public Limited Company was issued on January 29, 2018 by the Registrar of Companies, Ahmedabad. For further details, pertaining to the change in constitution, change in name and Registered Office of our Company, please see “History and Certain Corporate Matters” on page no. 52 of this Information Memorandum.</p> | |
| <p>Registered Office: Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S. G. Highway, Bodakdev, Ahmedabad, Gujarat – 380059</p> | |
| <p>Telephone: +91-79-40091111; E-mail: cs@alacid.com Website: www.alacid.com;</p> | |
| <p>Contact Person: Ms. Aanal Patel, Company Secretary & Compliance Officer</p> | |
| <p style="text-align: center;">INFORMATION MEMORANDUM FOR LISTING OF 1,15,00,000 EQUITY SHARES OF 10/- EACH FULLY PAID UP ON MAIN BOARD OF BSE LIMITED</p> | |
| <p style="text-align: center;">GENERAL RISKS</p> | |
| <p>Investments 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 of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares 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 the contents of this Information Memorandum. Specific attention of the investors is invited to “Risk Factors” on page no. 7 of this Information Memorandum.</p> | |
| <p style="text-align: center;">COMPANY’S ABSOLUTE RESPONSIBILITY</p> | |
| <p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Information Memorandum 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 Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.</p> | |
| <p style="text-align: center;">LISTING ON MAIN BOARD</p> | |
| <p>The Equity Shares of A-1 Acid Limited which are listed on the SME platform of BSE Limited are proposed to be listed and traded on Main Board of BSE Limited.</p> | |
| <p style="text-align: center;">REGISTRAR AND SHARE TRANSFER AGENT OF THE COMPANY</p> | |
|  | <p>CAMEO CORPORATE SERVICES LIMITED Subramaniam Building 1 Club House Road, Anasalai, Chennai-600 002 Tel: +91-44-28460390; Fax: +91-44-28460129; E-mail: cameo@cameoindia.com ; Website: www.cameoindia.com ; Contact Person: Ms. Kalpana Sridhar SEBI Registration No: INR 000003753</p> |

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SECTION I – INFORMATION MEMORANDUM SUMMARY

A. Our Company

Our Company was originally incorporated as “*A-I Acid Private Limited*” under the Companies Act, 1956 on April 22, 2004 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli as a Private Limited company under the provisions of the Companies Act, 1956 bearing registration no. 044011. The status of the Company was changed to public limited and the name of our Company was changed to “*A-I Acid Limited*” vide Special Resolution dated January 22, 2018. The fresh certificate of incorporation consequent to conversion to Public Limited Company was issued on January 29, 2018 by the Registrar of Companies, Ahmedabad. Further the Equity Shares of our company were listed on SME Platform of BSE Limited pursuant to Initial Public Offer with effect from October 10, 2018. The Corporate Identification Number of our Company is L24119GJ2004PLC044011.

B. Business Overview:

Our Company is involved in trading of wide range of chemicals and acid products. We also provide transportation facilities to our customers through our owned fleet of tankers. We offer a wide range of chemical products which finds variety of applications in the industrial sector like chemical, textile, steel and aluminium, pesticides, fertilizers, pharma intermediates, metals, plywoods and laminates, dyes and petro refineries. We also supply to Defence, our products are used in making explosives. Our products are marketed and sold Pan India in almost every major state. The products are provided to the customer on demand basis and as and when demand arises, the product is procured from the suppliers including companies like Gujarat State Fertilizers & Chemicals Limited (GSFC), Gujarat Narmada Valley Fertilizers Company Limited (GNFC), and is made available to the customer. We also keep in touch with our existing and prospective customers and collects purchase orders and build delivery schedule. Some frequently traded products include Nitric Acid, Hydrochloric Acid, and Sulphuric Acid, Urea (industrial Grade), Acetic Acid, Ethyl Acetate, Formic Acid, etc. We plan to grow our business primarily by increasing the number of customers, as we believe that increased customer relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more customers.

We have also entered into the agreement/understanding with Gujarat State Fertilizers & Chemicals Limited for selling Sulphuric Acid, with Gujarat Narmada Valley Fertilizers Company Limited as an authorised dealer.

C. Industry Overview:

Chemical industry contributes significantly to improving the quality of life through breakthrough innovations enabling pure drinking water, faster medical treatment, stronger homes and greener fuels. The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy.

Ensuring development of sustainable, green solutions in the fields of water treatment, food production and healthcare are the key challenges for the future. Fuelled by an increasing focus of industry on improving its image, these trends are shaping the priorities for R&D in the field of chemistry. In order to emphasize the importance of the chemical industry in meeting the key challenges for the future, the United Nations Organization has proclaimed 2011 as the —International Year of Chemistry.

Indian Scenario Six major chemicals produced in India are Methanol, Aniline, Alkyl Amines and its derivatives like Formaldehyde, Acetic Acid and Phenol, contributing to nearly 2/3rd of Indian basic organic chemical industry. The balance 1/3rd of the organic chemical consumption in the country is accounted for by other wide variety of chemicals.

The global chemicals industry is witnessing a gradual eastward shift. The industry is increasingly moving eastwards in line with the shift of its key consumer industries (e.g. automotive, electronics, etc.) to leverage greater manufacturing competitiveness of emerging Asian economies and to serve the increasing local demand. With rising concerns around climate change and depleting natural resources, focus on sustainability is another key trend impacting the global chemical industry. Chemical companies are increasingly working towards reducing energy intensity of their operations, minimizing effluent discharge and pollution, increasing the share of recyclable products in their portfolio and diversifying their raw material base to include bio-feedstock.

Chemicals are a part of every aspect of human life, right from the food we eat to the clothes we wear to the cars we drive. Chemical industry contributes significantly to improving the quality of life through breakthrough innovations

enabling pure drinking water, faster medical treatment, stronger homes and greener fuels. The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy

D. Our Promoters

Our Company is promoted by Mr. Harshadkumar Patel and Mr. Jitendra Patel.

E. Shareholding of our Promoters and Promoter Group as a percentage of the paid-up share capital of the Company

| Category of Promoter | Pre-Issue (As on September 17, 2018) | | Post-Issue (As on March 2022) | |
|----------------------|---------------------------------------|----------------------------------|-------------------------------|----------------------------------|
| | No. of Equity Shares | As a % of paid-up Equity Capital | No. of Equity Shares | As a % of paid-up Equity Capital |
| Promoter | 54,60,000 | 78.00% | 62,79,001 | 54.6% |
| Promoter Group | 15,40,000 | 22.00% | 17,71,000 | 15.4% |
| Total | 70,00,000 | 100% | 80,50,001 | 70% |

F. Summary of Financial Information

(Amount in Lakhs except EPS and NAV)

| Particulars | (Consolidated) For the year ended March 31, | (Standalone) For the year ended March 31, | (Consolidated) For the year ended March 31, | | (Standalone) For the year ended March 31, | |
|---------------------------|--|--|--|--------------|--|--------------|
| | 2022 | 2022 | 2021 | 2020 | 2021 | 2020 |
| Share Capital | 1150.00 | 1150 | 1000.00 | 1000.00 | 1000.00 | 1000.00 |
| Net Worth | 4651.40 | 4651.40 | 4021.00 | 3748.00 | 4021.00 | 3748.00 |
| Revenue from Operations | 31436.85 | 31436.85 | 14903.00 | 11982.00 | 14903.00 | 11982.00 |
| Profit after Tax | 645.13 | 630.52 | 273.00 | 318.00 | 273.00 | 318.00 |
| Earnings per Share | | | | | | |
| - Basic | 5.48 | 5.48 | 2.73 | 3.18 | 2.73 | 3.18 |
| - Diluted | 5.48 | 5.48 | 2.73 | 3.18 | 2.73 | 3.18 |
| Net Asset Value Per Share | 40.44 | 40.44 | 40.21 | 37.48 | 40.21 | 37.48 |
| Total Borrowings | 2597.85 | 2597.85 | 1660.00 | 677.00 | 1660.00 | 677.00 |

G. Qualification of the Auditors

The Financial Statements do not contain any qualification requiring adjustments by the Auditors.

H. Summary of Outstanding Litigation are as follows:

| Sr. No. | Nature of Case | No. of Outstanding cases | Amount to the extent quantifiable (in Rs. lakhs) |
|-----------|--|--------------------------|--|
| 1. | Litigation against our Company | | |
| a. | Indirect Tax Liabilities | 0 | 0 |
| 2. | Litigations against our Promoters & Directors | | |
| a. | Direct Tax Liabilities | 0 | 0 |

For the details of litigation proceedings, please refer the chapter titled “Outstanding Litigations and Material Developments” on page no. 81 of this Information Memorandum.

I. Risk Factors

Investors should read chapter titled “*Risk Factors*” beginning on page no. 7 of this Information Memorandum.

J. Summary of Contingent Liabilities

The Company does not have any Contingent Liabilities.

For further details regarding the same, refer the chapter titled “*Financial Information - Statement of Contingent Liability*” beginning on page no.79 of this Information Memorandum.

K. Summary of Related Party Transactions for the year ended 31st March 2020, 31st March 2021 and 31st March 2022.

Our Company has entered into certain transactions with our related parties as per our Financial Statements:

(Rs.in lakhs)

| Particulars | Nature of Relationship | Nature of Transaction | Amount of Transaction During the Period Ended March 31, | | | Amount outstanding as on March 31, (Payable) /Receivable | | |
|--|--|-----------------------|---|-------|-------|--|------|-------|
| | | | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| Harshadkumar Naranbhai Patel | Managing Director | Remuneration | 66.12 | 66.12 | 66.12 | - | - | - |
| | | Rent Paid | 29.57 | 29.56 | 29.56 | - | - | - |
| Jitendra N. Patel | Whole Time Director | Remuneration | 48.12 | 48.12 | 48.12 | - | - | - |
| | | Rent Paid | 31.16 | 32.09 | 36.76 | - | - | - |
| Utkarsh H. Patel | Director | Remuneration | 42.12 | 42.12 | 42.12 | - | - | - |
| Krishnaben N. Patel | Mother of Director | Rent Paid | 16.91 | 16.90 | 16.90 | - | - | - |
| Binduben J. Patel | Wife of Director | Rent Paid | 8.45 | 8.45 | 8.45 | - | - | - |
| Ritaben H. Patel | Wife of Director | Rent Paid | 8.45 | 8.45 | 8.45 | - | - | - |
| Himanshu Thakkar | CFO | Remuneration | 10.40 | 7.20 | - | - | - | - |
| Aanal Patel | CS | Remuneration | 1.80 | 1.80 | - | - | - | - |
| Chirag Rajnikant Shah | Director | Director Sitting Fees | 0.33 | 0.15 | - | - | - | - |
| Lajju Hemang Shah | Director | Director Sitting Fees | 0.33 | 0.18 | - | - | - | - |
| Nitinbhai Rikhavbhai Shah | Director | Director Sitting Fees | 0.33 | 0.09 | - | - | - | - |
| Suresh Somnath Dave | Director | Director Sitting fees | - | - | - | - | - | - |
| Hansaben Bharatbhai Patel (Cessation as Director) | | Director Sitting Fees | - | 0.24 | - | - | - | - |
| Avkar Chemical Industries | The director is proprietor of this firm. | | - | - | - | - | - | 31.05 |
| A-1 Sureja Industries | The director is proprietor of this firm. | Investment | 261.65 | - | - | 247.04 | - | - |

| | | | | | | | | |
|--------------------------------|--|---------------------------------|---------|------|------|---|------|---|
| A-1 Sureja Industries | The director is proprietor of this firm. | Share of Loss from an Associate | (14.61) | - | - | - | - | - |
| Nueron Multicuisine Restaurant | The director is proprietor of this firm | Sales Promotion | 0.22 | 1.14 | 8.54 | - | 0.14 | - |
| | | Transport receipts | - | - | - | - | - | - |
| | | | | | | | | |

For details of the Related Party Transactions, please refer "Financial Statements" under section "*Financial Information*" on page no. 79 this Information Memorandum.

L. Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Information Memorandum.

M. Weighted Average Price of the Equity Shares acquired by each of the Promoters in the last one year preceding the date of this Information Memorandum

The weighted average price of shares acquired by our Promoters within last one year preceding the date of this Information Memorandum.

| Promoters | No. of Equity Shares Acquired | Average cost (Rs.) |
|------------------------|-------------------------------|--------------------|
| Mr. Harshadkumar Patel | - | - |
| Mr. Jitendra Patel | - | - |

N. Average Cost of Acquisition

The average cost of acquisition of or subscription to Equity Shares by our Promoter as on March 31, 2022 is set forth in the table below:

| Promoters | No. of Equity Shares Acquired | Average cost (Rs.) |
|------------------------|-------------------------------|--------------------|
| Mr. Harshadkumar Patel | - | - |
| Mr. Jitendra Patel | - | - |

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

Our Company has issued 15,00,000 Bonus Equity Shares of Rs. 10/- each allotted on August 20, 2021 (Issue of 3 (Three) Bonus equity shares of Rs.10/- each for every 20 (Twenty) existing equity share of Rs.10/- each held). These shares are ranking pari- passu with the old equity shares of the Company. Except as mentioned above no shares have been issued at a price lower than the Issue Price within the last one year from the date of this Information Memorandum.

P. Split / Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Information Memorandum.

SECTION II – RISK FACTOR

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Information Memorandum, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Information Memorandum, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Information Memorandum are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the section entitled “Our Business” on page no. 44 and of this Information Memorandum respectively as well as other financial and statistical information contained in this Information Memorandum. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Information Memorandum. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with financial information of our Company prepared in accordance with the Companies Act and in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material individually but may be found material collectively.
4. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. ***The novel coronavirus (Covid-19) pandemic outbreak and steps taken to 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 and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the packaging 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. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, 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.

Further if in case due to any third or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

2. ***Our Company is party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is not involved in any certain legal proceedings.

For further details regarding these legal proceedings, please refer “*Outstanding Litigations and Material Developments*” on page 81 of this Information Memorandum.

3. *Our Company does not own certain office premises used by the Company.*

Our registered office is located at Corporate House No. A-1, Shivalik Business Centre, Behind Rajpath Club, S.G. Highway, Bodakdev, Ahmedabad- 380059 has been taken on Leave and License basis from our Promoter group jointly owned by Krishnaben N Patel, Rita Patel and Bindu Patel for a period of one year from 20th November 2021 to 19th October 2022. In case of breach of any of the covenants/conditions, the Licensor can terminate the Agreement which would affect our ability to conduct our business or increase our operating costs.

Our branch office is located at 122-123, A-Block, First Floor, Anand Plaza, Aayad Puliya, Udaipur – 313 001. The same is owned by Sushila Agrawal which has been taken on rent basis for a period of three years w.e.f. July 01, 2017 to June 30, 2020. The same is under renewal.

Our branch office is located at Rupmati Compound, Behind Vinayak Weigh Bridge, Sanwer Road, Bhawarsala, Indore, M. P. -452015. The same is owned by Sunil Kashyap which has been taken on rent basis for a period of Eleven months w.e.f. 1st September, 2021 to 1st August 2022.

Any termination of the license/rent agreement whether due to any breach or otherwise or non-renewal thereof, could temporarily disrupt our functioning and adversely affect the business operations.

4. *Our Company does not own the godowns/ warehouses.*

One of our godown/ warehouse is located at Village Vadadala, District Bharuch – 400 050, Gujarat and is owned by our promoter and Managing Director, Harshadkumar Patel and it has been granted on Leave and License basis for a period of one year from 20th November 2021 to 19th October 2022 and the other godown/ warehouse is located at Sajipur, Gopalpur, Opp. Cozy hotel, Narol, Ahmedabad – 382 405. The same is owned by our promoter Jitendra Patel which has been taken on leave and license basis for a period of one year from 20th November 2021 to 19th October 2022.

Any discontinuance of such agreement will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

5. *Our company has limited number of employees in its payroll and the labours are casual and temporary in nature.*

As on March 31, 2022 our Company has 12 employees on its payroll. The number of employees in our payroll is limited and the labours are casual and temporary in nature. With small base of employees, we may not be able to achieve a scalable business operation in future. Our Company understands that human resource is an important arena for growth of an organisation and we keep on hiring new resource for fostering the growth of the Company, however, given our current human resource record, we cannot assure that we may be able to hire and retain the best talent.

6. *We have not entered into any long-term contracts with any of our customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.*

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we believe that we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

7. *Our trading activities are exposed to fluctuations in the prices of traded goods.*

Our Company is dependent on third party suppliers for procuring the traded goods. We are exposed to fluctuations in the prices of these traded goods as well as its unavailability. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost- effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers

and revenues.

8. *Our Company has incurred substantial Indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.*

As on March 31, 2022, we had Rs. 3273 lakhs of outstanding debt in terms of long term borrowings and Short term borrowings on our financial statements (including current maturities) from various banks, financial institutions and others. In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or even sell our Company's movable and immovable assets. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet such obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds.

For further details on our outstanding debt please refer the Chapter "*Financial Information*" of the Information Memorandum.

9. *Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.*

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. in lakhs)

| Particulars | For the Financial Year ended March 31 | | |
|---|---------------------------------------|-------|-------|
| | 2022 | 2021 | 2020 |
| Net Cash Flow from/(used in) Operating Activities | (226.21) | (415) | 1000 |
| Net Cash Flow from/(used in) Investing Activities | (909.16) | (558) | (34) |
| Net Cash Flow from/(used in) Financing Activities | 892 | 964 | (953) |

For further details, see Chapter "*Financial Information*" of the Information Memorandum. We cannot assure you that our net cash flows will be positive in the future.

10. *If we are unable to manage our growth, our business could be disrupted.*

The growth of our business depends on the operations to realize our vision of attaining size and to improve our cost competitiveness in the chemicals and acid industry, and to reduce costs in our business. In order to achieve such future growth, we need to effectively manage products, accurately assess new markets, attract new customers, obtain sufficient financing, control our input costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. We expect our growth to place significant demands on our management and other resources. Any inability to manage our growth could have an adverse effect on our business, financial condition and results of operations.

11. *Our success largely depends upon the knowledge and experience of our Promoters and our Key Managerial Personnel. Any loss of our 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 Promoters 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. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our 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. For further details on our key managerial personnel, please refer to the chapter titled “Our Management” on page 55 of this Information Memorandum.

12. *We are dependent on smooth supply and transportation services and timely delivery of our products to our customers. Various uncertainties and delays or non-delivery of our products will affect our sales.*

We depend on transportation services to deliver our products to our customers. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial conditions.

13. *We are dependent upon the growth prospects of the industries, where end product made by using our product is used.*

Our Company falls in trading business that has substantial demand from varied industries. We thus cater to the requirements of these industries and any slowdown in the growth rate or downward trend in any of these industries directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

14. *Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation.*

There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

15. *Delays or defaults in client payments could result in a reduction of our profits.*

We may be subject to working capital risks due to delays or defaults in payment by clients. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated, to our customers may in turn cause delay in payment or refusal of payment by the customer. We typically extend credit terms to few of our customers. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

16. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

17. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.*

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

18. *Changes in customer preferences could affect our business, financial condition, results of operations and prospects.*

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner and could affect our business, financial condition, results of operations and prospects.

19. *Our Company's failure to provide the quality standards of the products could adverse impact our business, results of operations and financial condition.*

The demand for our products depends on quality that we market. Any failure of ours to provide the quality standards of the products may affect our business. We cannot assure that our products we trade will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

20. *While we are currently not subject to extensive Governmental regulation, any regulatory or legal framework introduced in the future may increase our compliance requirements and costs, which may adversely affect our business, results of operations and prospects. However to run our business, we require certain regulatory permits and approval to operate.*

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we have obtained permits and licenses, which are adequate to run our business. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

21. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.*

The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

22. *Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.*

The results of operations of our business are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirement accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory.

23. *The Promoters and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.*

Upon completion of this Issue, our Promoters and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our

Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

24. *We cannot assure payment of dividends in the future.*

The decision to pay dividends and the amount of such dividends, if declared, depends on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and any other factors that our Board and shareholders deem to be relevant at their discretion, subject to the provisions in the Articles of Association and the Companies Act. If we decide to retain our earnings to finance the development and expansion of our business, we may not declare dividends on the Equity Shares. Therefore, there can be no assurance that we will be able to pay dividends at any point in the future. For details of the dividend declared by the Company.

25. *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 malfunctions, sub-standard performance or breakdown of transporting vehicles, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters etc. At present our insurance policies provide for coverage against risk including Director's liability insurance, Public Liability Industrial & Storage Policy, Motor insurance policy (for carriers other than three wheelers) and Commercial vehicle policy. However, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. 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. If we suffer a significant uninsured loss or if insurance claim in respect of the subject- matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details please refer to chapter titled —"Our Business" on page 38 of this Information Memorandum.

26. *We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.*

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course of our business, environmental approvals, labour related and tax related approvals, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

Also, we were a private limited company which was converted into public limited company. After conversion there was change of name of the company from A-1 Acid Private Limited to A-1 Acid Limited. We shall be taking necessary steps for transferring/obtaining the approvals in new name of our company. In case we fail to transfer/obtain the same in name of the company the same may adversely affect our business or we may not be able to carry our business.

EXTERNAL RISK FACTORS

27. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

Our Company is subject to various regulations and policies. For details see section titled "Key Regulations and Policies" beginning on page no. 45 of this Information Memorandum. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

29. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

30. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other/ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

31. *Instability in financial markets could materially and adversely affect our results of operations and financial condition*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

32. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

33. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted

securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

SECTION III – INTRODUCTION
SUMMARY OF FINANCIAL INFORMATION
STANDALONE BALANCE SHEET AS AT 31/03/2022

| (INR in Lacs) | | | |
|--|-------|-------------------------|-------------------------|
| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3A | 1,672.43 | 1,386.09 |
| Capital Work-In- Progress | 3B | 9.20 | 9.20 |
| Goodwill | 3C | 31.00 | 31.00 |
| Financial Assets | | | |
| (i) Investments | 4 | 247.04 | - |
| (ii) Other Financial Assets | 5 | 446.26 | 239.80 |
| Other Non-Current Assets | 6 | 25.98 | 3.80 |
| Total Non-Current Assets (A) | | 2,431.91 | 1,669.89 |
| Current Assets | | | |
| Inventories | 7 | 233.69 | 189.88 |
| Financial Assets | | | |
| (i) Trade Receivables | 8 | 4,630.95 | 3,627.48 |
| (ii) Cash and Cash Equivalents | 9 | 9.64 | 46.99 |
| (iii) Loans | 10 | 0.92 | 71.64 |
| (iv) Other Financial Assets | 11 | 0.70 | 1.95 |
| Other Current Assets | 12 | 661.81 | 493.67 |
| Total Current Assets (B) | | 5,537.71 | 4,431.61 |
| Total Assets (A+B) | | 7,969.62 | 6,101.50 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 13 | 1,150.00 | 1,000.00 |
| Other Equity | 14 | 3,501.40 | 3,020.87 |
| Total Equity (A) | | 4,651.40 | 4,020.87 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 15 | 545.33 | 364.75 |
| Deferred Tax Liabilities (Net) | 16 | 45.16 | 56.12 |
| Total Non-Current Liabilities (B) | | 590.49 | 420.87 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 17 | 2,052.52 | 1,296.62 |
| (ii) Trade Payables | 18 | 303.89 | 138.52 |
| Other Current Liabilities | 19 | 357.01 | 209.04 |
| Current Tax Liabilities (Net) | 20 | 14.31 | 15.58 |
| Total Current Liabilities (C) | | 2,727.73 | 1,659.76 |
| Total Liabilities (A+B+C) | | 7,969.62 | 6,101.50 |

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2022

(INR in Lakhs)

| Particulars | Notes | Year Ended on March 31, 2022 | Year Ended on March 31, 2021 |
|---|-------|------------------------------|------------------------------|
| Revenue from Operations | 21 | 31,036.04 | 14,518.35 |
| Other Income | 22 | 400.81 | 385.06 |
| Total Income | | 31,436.85 | 14,903.41 |
| EXPENSES | | | |
| (i) Purchase of Stock-In-Trade | | 27,888.25 | 12,423.88 |
| (ii) Transport Expenses | | 1,584.30 | 1,240.88 |
| (iii) Changes in Inventory of Finished Goods | 23 | (43.81) | (80.09) |
| (iv) Employee Benefit Expenses | 24 | 256.03 | 237.36 |
| (v) Finance Costs | 25 | 120.66 | 72.07 |
| (vi) Depreciation and Amortization Expense | 38 | 334.66 | 280.86 |
| (vii) Other Expenses | 26 | 448.39 | 312.98 |
| Total Expense | | 30,588.48 | 14,487.94 |
| Profit Before Tax | | 848.37 | 415.47 |
| Tax Expense | | | |
| (i) Current Tax | 27 | 228.81 | 97.42 |
| (ii) Deferred Tax | 27 | (10.96) | 40.26 |
| (ii) Tax for earlier years | | - | 4.77 |
| Profit for the year | | 630.52 | 273.02 |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will not be reclassified to Profit and Loss | | - | - |
| (iii) Items that will be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will be reclassified to Profit and Loss | | - | - |
| Total Comprehensive Income for the year | | 630.52 | 273.02 |
| Earning Per Share : Basic & Diluted | 28 | 5.48 | 2.37 |

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(INR in Lacs)

| Particulars | Year Ended on March 31, 2022 | Year Ended on March 31, 2021 |
|--|---------------------------------------|---------------------------------|
| A Cash from Operating Activities | | |
| Profit Before Tax | 848.37 | 415.07 |
| Adjustments for: | | |
| Depreciation | 334.66 | 281.16 |
| Finance Cost | 115.20 | 60.95 |
| Sundry Balance Written Off | (2.40) | 4.89 |
| Provision for Expected Credit Loss | 56.00 | 11.32 |
| Interest Income | (10.26) | (19.43) |
| Loss on sale of Fixed Assets | 5.15 | (11.19) |
| Operating Profit before Changes in Working Capital | 1,346.72 | 742.77 |
| Movements in Working Capital | | |
| Decrease/ (Increase) in Other Financial Non current Assets | (206.46) | 0.87 |
| Decrease/ (Increase) in Inventories | (43.81) | (80.09) |
| Decrease/ (Increase) in Trade Receivables | (1,057.06) | (1,170.23) |
| Decrease/ (Increase) in Other Current Financial Assets | 1.24 | 26.50 |
| Decrease/ (Increase) in Other Current Assets | (168.14) | 110.09 |
| (Decrease)/ Increase in Trade Payables | 165.37 | 112.28 |
| (Decrease)/ Increase in Other Current liability | 147.97 | (111.69) |
| Cash Generated from Operations | 185.83 | (369.50) |
| Income Tax (Paid)/Received | (206.02) | (23.15) |
| Net Cash generated/(used in) from Operating Activities | (20.19) | (392.65) |
| B Cash Flow from Investment Activities | | |
| Purchase of Property, Plant & Equipment including Capital | | |
| Advances and Capital Work in Progress | (743.88) | (597.23) |
| Investment in an Associate | (247.04) | - |
| Sale of Property, Plant & Equipment | 71.50 | 19.61 |
| Interest Income | 10.26 | 19.43 |
| Net Cash generated/(used in) from Investment Activities | (909.16) | (558.19) |
| C Cash From Financing Activities | | |
| Repayment of Non Current Borrowings | 180.58 | 17.66 |
| Proceeds/(repayment) from Current Borrowings | 755.90 | 1,007.27 |
| Repayment of Lease Liabilities | | (39.75) |
| Loans given/recovered | 70.72 | 17.34 |
| Interest Paid | (115.20) | (60.95) |
| Net Cash generated/(used in) From Financing Activities | 892.00 | 941.57 |
| Net Increase/Decrease in Cash & Cash Equivalents | (37.35) | (9.27) |
| Cash & Cash Equivalents at the beginning of the year | 46.99 | 56.26 |
| Cash & Cash Equivalents at the end of the year | 9.64 | 46.99 |

A-1 ACID LIMITED
CONSOLIDATED BALANCE SHEET AS AT
MARCH 31, 2022

| | | | (INR in Lacs) |
|--|-------|-------------------------|-------------------------|
| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3A | 1,672.43 | 1,386.09 |
| Capital Work-In- Progress | 3B | 9.20 | 9.20 |
| Goodwill | 3C | 31.00 | 31.00 |
| Financial Assets | | | |
| (i) Investments | 4 | 247.04 | - |
| (ii) Other Financial Assets | 5 | 446.26 | 239.80 |
| Other Non-Current Assets | 6 | 25.98 | 3.80 |
| Total Non-Current Assets (A) | | 2,431.91 | 1,669.89 |
| Current Assets | | | |
| Inventories | 7 | 233.69 | 189.88 |
| Financial Assets | | | |
| (i) Trade Receivables | 8 | 4,630.95 | 3,627.48 |
| (ii) Cash and Cash Equivalents | 9 | 9.64 | 46.99 |
| (iii) Loans | 10 | 0.92 | 71.64 |
| (iv) Other Financial Assets | 11 | 0.70 | 1.95 |
| Other Current Assets | 12 | 661.81 | 493.67 |
| Total Current Assets (B) | | 5,537.71 | 4,431.61 |
| Total Assets (A+B) | | 7,969.62 | 6,101.50 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 13 | 1,150.00 | 1,000.00 |
| Other Equity | 14 | 3,501.40 | 3,020.87 |
| Total Equity (A) | | 4,651.40 | 4,020.87 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 15 | 545.33 | 364.75 |
| Deferred Tax Liabilities (Net) | 16 | 45.16 | 56.12 |
| Total Non-Current Liabilities (B) | | 590.49 | 420.87 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 17 | 2,052.52 | 1,296.62 |
| (ii) Trade Payables | 18 | 303.89 | 138.52 |
| Other Current Liabilities | 19 | 357.01 | 209.04 |
| Current Tax Liabilities (Net) | 20 | 14.31 | 15.58 |
| Total Current Liabilities (C) | | 2,727.73 | 1,659.76 |
| Total Liabilities (A+B+C) | | 7,969.62 | 6,101.50 |
| The notes on account form integral part of the financial Statement 1 to 39 | | | |
| As per our Report of even date attached | | | |

Consolidated Statement of Profit and Loss for the Financial Year Ended March 31, 2022

(INR in Lacs)

| Particulars | Notes | Year ended on March 31, 2022 | Year Ended on March 31, 2021 |
|--|-----------------|---------------------------------|---------------------------------|
| Revenue from Operations | 21 | 31,036.04 | |
| Other Income | 14,518.35 22 | 400.81 | 385.06 |
| Total Income | | 31,436.85 | |
| | | 14,903.41 | |
| EXPENSES | | | |
| (i) Purchase of Stock-In-Trade | | 27,888.25 | |
| | | 12,423.88 | |
| (ii) Transport Expenses | | 1,584.30 | |
| | | 1,240.88 | |
| (iii) Changes in Inventory of Finished Goods | 23 | (43.81) | |
| | (80.09) | | |
| (iv) Employee Benefit Expenses | 24 | 256.03 | 237.36 |
| (v) Finance Costs | 25 | 120.66 | 72.07 |
| (vi) Depreciation and Amortization Expense | 3B | 334.66 | 280.86 |
| (vii) Other Expenses | 26 | 433.78 | 312.98 |
| Total Expense | | 30,573.87 | |
| | | 14,487.94 | |
| Profit Before Tax and Share of Profit/(loss) from an Associate | | 862.98 | 415.47 |
| Tax Expense | | | |
| (i) Current Tax | 27 | 228.81 | 97.42 |
| (ii) Deferred Tax | 27 | (10.96) | 40.26 |
| (ii) Tax for earlier years | | - | 4.77 |
| Profit for the year Before Share of Profit/(loss) from an Associate | | 645.13 | 273.02 |
| Share of Profit/(loss) from an Associate | | (14.61) | - |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will not be reclassified to Profit and Loss | | - | - |
| (iii) Items that will be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will be reclassified to Profit and Loss | | - | - |
| Total Comprehensive Income for the year | | 630.52 | 273.02 |
| Earning Per Share : Basic & Diluted | 28 | 5.48 | 2.37 |

The notes on account form integral part of the financial Statement

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31,2022

(INR in Lacs)

| Particulars | Notes | Year ended on March 31, 2022 | Year Ended on March 31, 2021 |
|--|-------|---------------------------------|---------------------------------|
| A Cash from Operating Activities | | | |
| Profit Before Tax | | 862.98 | 415.07 |
| Adjustments for: | | | |
| Depreciation | | 334.66 | 281.16 |
| Finance Cost | | 115.20 | 60.95 |
| Share of Profit from Associate | | (14.61) | |
| Sundry Balance Written Off | | (2.40) | 4.89 |
| Provision for Expected Credit Loss | | 56.00 | 11.32 |
| Interest Income | | (10.26) | (19.43) |
| Loss on sale of Fixed Assets | | 5.15 | (11.19) |
| Operating Profit before Changes in Working Capital | | 1,346.72 | 742.77 |
| Movements in Working Capital | | | |
| Decrease/ (Increase) in Other Financial Non current Assets | | (206.46) | 0.87 |
| Decrease/ (Increase) in Inventories | | (43.81) | (80.09) |
| Decrease/ (Increase) in Trade Receivables | | (1,057.06) | (1,170.23) |
| Decrease/ (Increase) in Other Current Financial Assets | | 1.24 | 26.50 |
| Decrease/ (Increase) in Other Current Assets | | (168.14) | 110.09 |
| (Decrease)/ Increase in Trade Payables | | 165.37 | 112.28 |
| (Decrease)/ Increase in Other Current liability | | 147.97 | (111.69) |
| Cash Generated from Operations | | 185.83 | (369.50) |
| Income Tax (Paid)/Received | | (206.02) | (23.15) |
| Net Cash generated/(used in) from Operating Activities | | (20.19) | (392.65) |
| B Cash Flow from Investment Activities | | | |
| Purchase of Property, Plant & Equipment including | | | |
| Capital Advances and Capital Work in Progress | | (743.88) | (597.23) |
| Investment in an Associate | | (247.04) | - |
| Sale of Property, Plant & Equipment | | 71.50 | 19.61 |
| Interest Income | | 10.26 | 19.43 |
| Net Cash generated/(used in) from Investment Activities | | (909.16) | (558.19) |
| C Cash From Financing Activities | | | |
| Repayment of Non Current Borrowings | | 180.58 | 17.66 |
| Proceeds/(repayment) from Current Borrowings | | 755.90 | 1,007.27 |
| Repayment of Lease Liabilities | | | (39.75) |
| Loans given/recovered | | 70.72 | 17.34 |
| Interest Paid | | (115.20) | (60.95) |
| Net Cash generated/(used in) From Financing Activities | | 892.00 | 941.57 |
| Net Increase/Decrease in Cash & Cash Equivalents | | (37.35) | (9.27) |
| Cash & Cash Equivalents at the beginning of the year | | 46.99 | 56.26 |
| Cash & Cash Equivalents at the end of the year | | 9.64 | 46.99 |

GENERAL INFORMATION

Our Company was originally incorporated as “A-1 Acid Private Limited” under the Companies Act, 1956 on April 22, 2004 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli as a Private Limited company under the provisions of the Companies Act, 1956 bearing registration no. 044011. The status of the Company was changed to public limited and the name of our Company was changed to “A-1 Acid Limited” vide Special Resolution dated January 22, 2018. The fresh certificate of incorporation consequent to conversion to Public Limited Company was issued on January 29, 2018 by the Registrar of Companies, Ahmedabad. Further the Equity Shares of our company were listed on SME Platform of BSE Limited pursuant to Initial Public Offer with effect from October 10, 2018. The Corporate Identification Number of our Company is L24119GJ2004PLC044011.

For further details, please refer to the chapter titled “Our History and Certain Other Corporate Matters” beginning on page no. 52 of this Information Memorandum.

BRIEF COMPANY AND ISSUE INFORMATION

| | |
|---|---|
| Registered Office | Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club Road, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India - 380059 Tel: +91-79-40091111 E-mail: cs@alacid.com Website: www.alacid.com |
| Date of Incorporation | April 22, 2004 |
| Company Registration No. | 044011 |
| Company Identification No. | L24119GJ2004PLC044011 |
| Address of Registrar of Companies | ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus stop, Naranpura, Ahmedabad-380013, Gujarat. Tel: +91-79-27437597; Fax: +91-79-27438371 E-mail: roc.ahmedabad@mca.gov.in |
| Company Secretary and Compliance Officer | Ms. Aanal Patel Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club Road, S.G. Highway, Bodakdev, Ahmedabad, Gujarat - 380059 Tel: +91-79-40091111 E-mail: cs@alacid.com Website: www.alacid.com |

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets forth the Board of Directors of our Company:

| Sr. No. | Name and Designation | Designation | DIN | Address |
|---------|----------------------|------------------------------|----------|---|
| 1. | Harshadkumar. Patel | Chairman & Managing Director | 00302819 | 14, Upvan Villa, Gala Gymkhana Road, South Bopal, Ahmedabad – 380058 Gujarat, India |
| 2. | Jitendra .Patel | Whole time Director | 00164229 | 14, Upvan Villa, Gala Gymkhana Road, South Bopal, Ahmedabad – 380058 Gujarat, India |
| 3. | Utkarsh Patel | Whole time Director | 03055266 | 14, Upvan Villa, Gala Gymkhana Road, South Bopal, Ahmedabad – 380058 Gujarat, India |
| 4. | Krishna Patel | Non-Executive Director | 08685126 | 14, Upavan Villa, Gala Gymkhana Road, South Bopal Ahmedabad 380058, Gujarat, India |
| 5. | Nitin Shah | Independent Director | 08697467 | 1, Git Govind Society, Shilaj Road, Thaltej Ahmedabad 380059, Gujarat, India |

| | | | | |
|----|---------------------|----------------------|----------|--|
| 6. | Lajju Shah | Independent Director | 00057858 | 23/A-2, Amrapali Flats, Vibhag 30, Paldi, Ahmedabad – 380013, Gujarat, India |
| 7. | Chirag Shah | Independent Director | 02165478 | 18, Darpan Society, B/h. C.B.I., St. Xavier's College Road, Naranpura, Ahmedabad – 80013, Gujarat, India |
| 8. | Suresh Somnath Dave | Independent Director | 00302819 | 101, Punya Apatment 16-A, Saraswati Society, Nr. Jain Merchant Society, Paldi Ahmedabad-380007 |

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “*Our Management*” beginning on page no. 55 of this Information Memorandum.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS MIGRATION AND OUR COMPANY

SHARE TRANSFER AGENT



CAMEO CORPORATE SERVICES LIMITED

Address: Subramanian Building 1 Club House Road, Chennai-600002

Tel: +91-44-28460390;

Fax: +91-44-28460129;

E-mail: cameo@cameoindia.com ;

Website: www.cameoindia.com ;

Contact Person: Ms. Kalpana Sridhar

SEBI Registration No: INR 000003753

STATUTORY AUDITOR OF THE COMPANY

M/s. Riddhi P. Sheth & Co., Chartered Accountants,

9, Shyam Shivam Bungalows, Nr. Shikar Flats, 100 ft. Ring Road, Satellite, Ahmedabad -380051

Tel: +91 79 2676 3020

Email: riddhisheth.123@gmail.com

Contact Person: Riddhi P. Sheth

Membership No.: 159123

Firm Registration No.: 140190W

There has been no change in the auditors during last three years.

BANKER(S) TO THE COMPANY



Deutsche Bank AG

637 Opp. CII Tower, Gulbai Tekra,
Off CG Road, Ahmedabad- 380006

Tel: +79-71015000

Fax: +79-71015060

Email: manish.barot@db.com

Website: www.deutschebank.co.in

Contact Person: Mr. Varun Shukla (B.M.)
Mr. Malay Shah (R.M.)

Filing of Information Memorandum

The Company is submitting its Information Memorandum, containing information about itself, making Disclosures in line

with the disclosure requirement for Migration to Main Board, as applicable, to BSE Limited.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Listing

The Equity Shares of the Company are listed on SME Platform of BSE Limited. Further, the Equity Shares of the Company shall be migrated to main Board of BSE Limited subject to fulfillment of listing criteria of BSE and also subject to such other terms and conditions as may be prescribed by SEBI and by BSE.

Demat Credit

The Company has executed Tripartite Agreements with both the depositories i.e. NSDL and CDSL for admitting its securities in demat form and have allotted ISIN: INE911Z01017.

General Disclaimer from the Company

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum is being submitted to BSE.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be traded or will continue to be traded on the Main Board of BSE; 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 to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE 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.

CAPITAL STRUCTURE

The share capital of the Company as on the date of this Information Memorandum is set forth below:

(Rs. in lakhs, except share data)

| Sr. No. | Particulars | Aggregate Value at Nominal Value |
|----------|--|----------------------------------|
| A | Authorised Share Capital | |
| | 2,00,00,000 Equity Shares of face value of Rs.10 each | 2000.00 |
| B | Issued, Subscribed and Paid-up Share Capital as on date | |
| | 1,15,00,000 Equity Shares of face value of Rs.10 each | 1150.00 |

Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

- The authorized share capital of Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10/- each was increased to Rs.12,00,00,000 divided into 1,20,00,000 Equity Shares of Rs. 10/- each pursuant to resolution passed by shareholders at the AGM held on September 29, 2017.
- The authorized share capital of Rs. Rs.12,00,00,000 divided into 1,20,00,000 Equity Shares of Rs. 10/- each was increased to Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore Only) Equity Shares of Rs. 10/- each pursuant to resolution passed by shareholders at the AGM held on August 06, 2021.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company:

a. Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

| Date of Allotment of Equity Shares | No. of Equity Shares | Face Value | Issue Price | Nature / Reason of Allotment | Nature of Consideration | Cumulative No. of Equity Shares | Cumulative Paid Up Share Capital (Rs.) | Cumulative Share Premium (Rs.) |
|------------------------------------|----------------------|------------|-------------|---|-------------------------|---------------------------------|--|--------------------------------|
| Upon Incorporation | 400 | 10 | 10 | Subscription to MoA ⁽¹⁾ | Cash | 400 | 4000 | Nil |
| May 11, 2004 | 5,09,900 | 10 | - | Allotment pursuant to acquisition concern ⁽²⁾ | Other than Cash | 5,10,300 | 51,03,300 | Nil |
| May 11, 2004 | 4,89,700 | 10 | 10 | Further Allotment ⁽³⁾ | Cash | 10,00,000 | 1,00,00,000 | Nil |
| December 20, 2017 | 60,00,000 | 10 | - | Bonus in the ratio of 6 Equity Shares for every 1 Equity Share ⁽⁴⁾ | Other than Cash | 70,00,000 | 7,00,00,000 | Nil |
| October 05, 2018 | 30,00,000 | 10 | 60 | Initial Public Offer ⁽⁵⁾ | Cash | 1,00,00,000 | 10,00,00,000 | Nil |
| August 20, 2021 | 15,00,000 | 10 | - | Bonus in the ratio of 3 Equity Shares for every 20 | Other than Cash | 1,15,00,000 | 11,50,00,000 | Nil |

| | | | | | | | | |
|--|--|--|--|-----------------------------|--|--|--|--|
| | | | | Equity Share ⁽⁶⁾ | | | | |
|--|--|--|--|-----------------------------|--|--|--|--|

1. Initial Subscribers to the Memorandum of Association of our Company:

| Sr. No. | Name | No. of Equity Shares |
|--------------|---------------------|----------------------|
| 1. | Naranbhai L. Patel | 100 |
| 2. | Krishnaben N. Patel | 100 |
| 3. | Harshad N. Patel | 100 |
| 4. | Jitendra N. Patel | 100 |
| Total | | 400 |

2. Allotment of 5,09,900 Equity Shares:-

| Sr. No. | Name | No. of Equity Shares |
|--------------|--------------------|----------------------|
| 1. | Naranbhai L. Patel | 5,09,900 |
| Total | | 5,09,900 |

3. Allotment of 4,89,700 Equity Shares:-

| Sr. No. | Name | No. of Equity Shares |
|--------------|---------------------|----------------------|
| 1. | Krishnaben N. Patel | 1,09,900 |
| 2. | Harshad N. Patel | 1,89,900 |
| 3. | Jitendra N. Patel | 1,89,900 |
| Total | | 4,89,700 |

4. Bonus Issue of 60,00,000 Equity Shares in the ratio of 6:1:-

| Sr. No. | Name | No. of Equity Shares |
|--------------|-----------------------|----------------------|
| 1. | Krishnaben N. Patel | 6,60,000 |
| 2. | Harshadkumar N. Patel | 23,40,000 |
| 3. | Jitendra N. Patel | 23,40,000 |
| 4. | Utkarsh H. Patel | 6,60,000 |
| Total | | 60,00,000 |

5. Initial Public Issue of 30, 00,000 Equity Shares of face value Rs. 10/- fully paid up at a premium of Rs. 50/- on October 05, 2018.

6. Pursuant to Resolution passed by Board of Directors of our Company at their meeting held on August 20, 2021, Bonus Equity Shares have been issued to the existing shareholders as on August 19, 2021 in the ratio of 3 (Three) Equity Shares for 20 (Twenty) Equity Share held by them, by capitalizing a sum of Rs. 1,50,00,000/- (One Crore Fifty Lakhs only) from the Company's Reserve and Surplus Account & Share Premium Account & The relevant provisions of the Companies Act have been complied w.r.t the bonus issue.

i. Except as mentioned below, our Company has not issued Equity Shares for consideration other than cash or out of Revaluation Reserve:

| Date of Allotment | No. of Equity Shares | Face Value (Rs.) | Issue Price (Rs.) | Consideration | Nature of Allotment | Benefits Accrued to our Company |
|-------------------|----------------------|------------------|-------------------|-----------------|---|--|
| May 11, 2004 | 5,09,900 | 10.00 | - | Other than Cash | Further Allotment pursuant to acquisition of proprietorship concern | Commercial Advantage of acquisition of business of Naranbhai Patel |
| December 20, 2017 | 60,00,000 | 10.00 | - | Other than Cash | Bonus in the ratio of 6:1 | Nil |
| August 20, 2021 | 15,00,000 | 10.00 | Nil | Other than Cash | Bonus in the ratio of 20:3 | Nil |

- ii. No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
- iii. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme
- iv. No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Draft Information Memorandum.

2. Shareholding of our Promoter:

Set forth below are the details of the build-up of shareholding of our Promoter:

| Date of Allotment /Transfer | Nature of Transaction | Nature of Consideration | No of Equity Shares | FV (Rs.) | Issue / Transfer Price (Rs.) | Cumulative No. of Shares | % of Paid – Up Capital |
|-----------------------------|--------------------------------|-------------------------|---------------------|----------|------------------------------|--------------------------|------------------------|
| Harshadkumar Patel | | | | | | | |
| 22/04/2004 | Subscription to MoA | Cash | 100 | 10 | 10.00 | 100 | 0.00086% |
| 11/05/2004 | Further Allotment | Cash | 1,89,900 | 10 | 10.00 | 1,90,000 | 1.65% |
| 29/08/2009 | Transfer to Ritaben Patel | Cash | (100) | 10 | 10.00 | 1,89,900 | 1.65% |
| 07/10/2017 | Transmission [#] | Other than Cash | 2,00,000 | 10 | Nil | 3,89,900 | 3.39% |
| 07/10/2017 | Transfer From Ritaben H. Patel | Cash | 100 | 10 | 116.00 | 3,90,000 | 3.39% |
| 20/12/2017 | Bonus Issue | Other than Cash | 23,40,000 | 10 | Nil | 27,30,000 | 23.74% |
| 20/08/2021 | Bonus Issue | Other than Cash | 4,09,501 | 10 | Nil | 3,139,501 | 27.30% |
| Jitendra Patel | | | | | | | |
| 22/04/2004 | Subscription to MoA | Cash | 100 | 10 | 10.00 | 100 | 0.00086% |
| 11/05/2004 | Further Allotment | Cash | 1,89,900 | 10 | 10.00 | 1,90,000 | 1.65% |
| 29/08/2009 | Transfer to Binduben Patel | Cash | (100) | 10 | 10.00 | 1,89,900 | 1.65% |
| 07/10/2017 | Transmission [#] | Other than Cash | 2,00,000 | 10 | Nil | 3,89,900 | 3.39% |
| 07/10/2017 | Transfer From Binduben Patel | Cash | 100 | 10 | 116.00 | 3,90,000 | 3.39% |
| 20/12/2017 | Bonus Issue | Other than Cash | 23,40,000 | 10 | Nil | 27,30,000 | 23.74% |
| 20/08/2021 | Bonus Issue | Other than Cash | 4,09,500 | 10 | Nil | 3,139,500 | 27.30% |

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Information

Memorandum.

- None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Information Memorandum.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

Disclosures:

As on date of this Information Memorandum, our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.

Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

Our Company has not revalued its assets since incorporation and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Our Company has not issued any shares at price below issue price during a period of one year preceding the date of this Information Memorandum.

As on the date of this Information Memorandum, our Company does not have any preference Share Capital

Shareholding pattern of Our Company
Name of the Company: A-1 Acid Limited
Scrip Code: 542012
Name of the Scrip: AAL
Class of Security: Equity Shares
Dated: 24.06.2022

| Category (I) | Category of Share- holder (II) | No. of Share- holder (III) | No. of fully paid-up equity shares held(IV) | No. of Partly paid-up equity shares held | No. of shares Underlying Depository Receipts (V) | Total Nos. Shares held (VII) = (IV) + (V) + (VI) | Shareholding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2) | Number of Voting Rights held in each Class of securities (IX) | | | | No of Underlying Outstanding Convertible securities (incl. Warrants) | Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked In shares (XII) | | No. of shares Pledged Or Otherwise encumbered (XIII) | | No. of Equity shares held in De-mat form (XIV) |
|--------------|--------------------------------|----------------------------|---|--|--|--|---|---|--------|-------------|-----------------------|--|--|----------------------------------|--------------------------------|--|---------------------------------|--|
| | | | | | | | | No of voting Right | | | Total As a %of(A+B+C) | | | No (a) | As a % of total shares held(b) | No(a) | As a % of total shares held(b) | |
| | | | | | | | | Class- Equity | Cl ass | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 8 | 80,50,001 | - | - | 80,50,001 | 70.00 | 80,50,001 | - | 80,50,001 | 70.00 | - | 70.00 | - | - | - | - | 80,50,001 |
| (B) | Public | 315 | 34,49,999 | - | - | 34,49,999 | 30.00 | 34,49,999 | - | 34,49,999 | 30.00 | | 30.00 | - | - | - | - | 34,49,999 |
| (C) | Non Promoter Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 323 | 1,15,00,000 | - | - | 1,15,00,000 | 100.00% | 1,15,00,000 | - | 1,15,00,000 | 100.00% | - | 100.00% | - | - | - | - | 1,15,00,000 |

SECTION IV-ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry 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. Accordingly, investment decisions should not be based on such information. Unless otherwise specified, references to years are to calendar years in this section.

Global Outlook

After rebounding to an estimated 5.5 % in 2021, global growth is expected to decelerate markedly to 4.1 % in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions. Global growth is projected to soften further to 3.2 % in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs)—particularly in small states and fragile and conflict-afflicted countries—they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.

As EMDEs have limited policy space to provide additional support if needed, these downside risks heighten the possibility of a hard landing. This underscores the importance of strengthening global cooperation to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in the poorest countries, and tackle the mounting costs of climate change. EMDE policy makers also face the challenges of heightened inflationary pressures, spillovers from prospective advanced-economy monetary tightening, and constrained fiscal space. Despite budgetary consolidation, debt levels—which are already at record highs in many EMDEs—are likely to rise further owing to sustained revenue weakness. Over the longer term, EMDEs will need to buttress growth by pursuing decisive policy actions, including reforms that mitigate vulnerabilities to commodity shocks, reduce income and gender inequality, and enhance preparedness for health- and climate-related crises.

Global growth is estimated to have surged to 5.5 % in 2021—its strongest post-recession pace in 80 years, as a relaxation of pandemic-related lockdowns in many countries helped boost demand. Notwithstanding this annual increase, resurgences of the COVID-19 pandemic and widespread supply bottlenecks weighed appreciably on global activity in the second half of last year. Moreover, emerging market and developing economies (EMDEs) are experiencing notably weaker and more fragile recoveries compared to those in advanced economies as a result of slower vaccination progress, a more limited policy response, and the pandemic's scarring effects (figure 1.1.A). In particular, these scarring effects on potential output reflect the pandemic's adverse impact on EMDE physical and human capital. Among the most vulnerable countries, the impact of the pandemic will reverse several years of income gains.

Global COVID-19 infection rates have soared, driven by the rapid spread of the Omicron variant. Advanced economies and a growing number of EMDEs have fully vaccinated a majority of their populations. But despite expansive vaccine

Coverage, some countries have been forced to reintroduce strict lockdown measures recently to alleviate acute pressures on their health systems. Vaccine coverage remains highly uneven around the world, and stubbornly limited across low income countries (LICs). At recent vaccination rates, only about a third of the LIC population will have received even one vaccine dose by end of 2023.

Recent data point to solid but moderating global growth. The surge in infections in 2021 related to the Delta variant sapped consumer demand, but to a much more limited degree than previous waves. Persistent supply bottlenecks have weighed on global production and trade. In advanced economies, high vaccination rates and sizable fiscal support have helped cushion some of the adverse economic impacts of the pandemic. In EMDEs, however, the pace of recovery has been further dampened by waning policy support and a tightening of financing conditions.

TABLE 1.1 Real GDP¹

(Percent change from previous year)

| | 2019 | 2020 | 2021e | 2022f | 2023f | Percentage point differences from June 2021 projections | | |
|---|------------|-------------|------------|------------|------------|---|-------------|------------|
| | | | | | | 2021e | 2022f | 2023f |
| World | 2.6 | -3.4 | 5.5 | 4.1 | 3.2 | -0.2 | -0.2 | 0.1 |
| Advanced economies | 1.7 | -4.6 | 5.0 | 3.8 | 2.3 | -0.4 | -0.2 | 0.1 |
| United States | 2.3 | -3.4 | 5.6 | 3.7 | 2.6 | -1.2 | -0.5 | 0.3 |
| Euro area | 1.6 | -6.4 | 5.2 | 4.2 | 2.1 | 1.0 | -0.2 | -0.3 |
| Japan | -0.2 | -4.5 | 1.7 | 2.9 | 1.2 | -1.2 | 0.3 | 0.2 |
| Emerging market and developing economies | 3.8 | -1.7 | 6.3 | 4.6 | 4.4 | 0.2 | -0.1 | 0.0 |
| East Asia and Pacific | 5.8 | 1.2 | 7.1 | 5.1 | 5.2 | -0.6 | -0.2 | 0.0 |
| China | 6.0 | 2.2 | 8.0 | 5.1 | 5.3 | -0.5 | -0.3 | 0.0 |
| Indonesia | 5.0 | -2.1 | 3.7 | 5.2 | 5.1 | -0.7 | 0.2 | 0.0 |
| Thailand | 2.3 | -6.1 | 1.0 | 3.9 | 4.3 | -1.2 | -1.2 | 0.0 |
| Europe and Central Asia | 2.7 | -2.0 | 5.8 | 3.0 | 2.9 | 1.9 | -0.9 | -0.6 |
| Russian Federation | 2.0 | -3.0 | 4.3 | 2.4 | 1.8 | 1.1 | -0.8 | -0.5 |
| Turkey | 0.9 | 1.8 | 9.5 | 2.0 | 3.0 | 4.5 | -2.5 | -1.5 |
| Poland | 4.7 | -2.5 | 5.1 | 4.7 | 3.4 | 1.3 | 0.2 | -0.5 |
| Latin America and the Caribbean | 0.8 | -6.4 | 6.7 | 2.6 | 2.7 | 1.5 | -0.3 | 0.2 |
| Brazil | 1.2 | -3.9 | 4.9 | 1.4 | 2.7 | 0.4 | -1.1 | 0.4 |
| Mexico | -0.2 | -8.2 | 5.7 | 3.0 | 2.2 | 0.7 | 0.0 | 0.2 |
| Argentina | -2.0 | -9.9 | 10.0 | 2.6 | 2.1 | 3.6 | 0.9 | 0.2 |
| Middle East and North Africa | 0.9 | -4.0 | 3.1 | 4.4 | 3.4 | 0.6 | 0.8 | 0.1 |
| Saudi Arabia | 0.3 | -4.1 | 2.4 | 4.9 | 2.3 | 0.0 | 1.6 | -0.9 |
| Iran, Islamic Rep. ³ | -6.8 | 3.4 | 3.1 | 2.4 | 2.2 | 1.0 | 0.2 | -0.1 |
| Egypt, Arab Rep. ² | 5.6 | 3.6 | 3.3 | 5.5 | 5.5 | 1.0 | 1.0 | 0.0 |
| South Asia | 4.4 | -5.2 | 7.0 | 7.6 | 6.0 | 0.1 | 0.8 | 0.8 |
| India ³ | 4.0 | -7.3 | 8.3 | 8.7 | 6.8 | 0.0 | 1.2 | 0.3 |
| Pakistan ² | 2.1 | -0.5 | 3.5 | 3.4 | 4.0 | 2.2 | 1.4 | 0.6 |
| Bangladesh ² | 8.2 | 3.5 | 5.0 | 6.4 | 6.9 | 1.4 | 1.3 | 0.7 |
| Sub-Saharan Africa | 2.5 | -2.2 | 3.5 | 3.6 | 3.8 | 0.7 | 0.3 | 0.0 |
| Nigeria | 2.2 | -1.8 | 2.4 | 2.5 | 2.8 | 0.6 | 0.4 | 0.4 |
| South Africa | 0.1 | -6.4 | 4.6 | 2.1 | 1.5 | 1.1 | 0.0 | 0.0 |
| Angola | -0.6 | -5.4 | 0.4 | 3.1 | 2.8 | -0.1 | -0.2 | -0.7 |
| Memorandum items: | | | | | | | | |
| Real GDP¹ | | | | | | | | |
| High-income countries | 1.7 | -4.6 | 5.0 | 3.8 | 2.4 | -0.3 | -0.2 | 0.2 |
| Developing countries | 4.0 | -1.4 | 6.5 | 4.6 | 4.5 | 0.2 | -0.2 | 0.0 |
| EMDEs excluding China | 2.5 | -4.2 | 5.2 | 4.2 | 3.8 | 0.8 | 0.0 | 0.1 |
| Commodity-exporting EMDEs | 1.8 | -3.9 | 4.5 | 3.3 | 3.1 | 0.9 | 0.0 | 0.0 |
| Commodity-importing EMDEs | 4.9 | -0.5 | 7.2 | 5.2 | 5.0 | -0.1 | -0.2 | 0.0 |
| Commodity-importing EMDEs excluding China | 3.3 | -4.5 | 6.1 | 5.3 | 4.6 | 0.7 | 0.0 | 0.1 |
| Low-income countries | 4.6 | 1.3 | 3.3 | 4.9 | 5.9 | 0.2 | 0.0 | 0.0 |
| EM7 | 4.5 | -0.6 | 7.2 | 4.8 | 4.7 | 0.0 | -0.3 | 0.0 |
| World (PPP weights) ⁴ | 2.9 | -3.0 | 5.7 | 4.4 | 3.6 | 0.0 | -0.1 | 0.1 |
| World trade volume⁵ | 1.1 | -8.2 | 9.5 | 5.8 | 4.7 | 1.2 | -0.5 | 0.3 |
| Commodity prices⁶ | | | | | | | | |
| Oil price | -10.2 | -32.8 | 67.2 | 7.2 | -12.2 | 16.9 | 7.2 | -13.1 |
| Non-energy commodity price index | -4.2 | 3.0 | 31.9 | -2.0 | -4.0 | 9.4 | 0.5 | -1.3 |

Source: World Bank.

- Headline aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates. The aggregate growth rates may differ from the previously published numbers that were calculated using GDP weights at average 2010 prices and market exchange rates. Data for Afghanistan and Lebanon are excluded.
- GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. Pakistan's growth rates are based on GDP at factor cost. The column labeled 2019 refers to FY2018/19.
- GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. The column labeled 2019 refers to FY2019/20.
- World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.
- World trade volume of goods and nonfactor services.
- Oil price is the simple average of Brent, Dubai, and West Texas Intermediate prices. The non-energy index is the weighted average of 39 commodity prices (7 metals, 5 fertilizers, and 27 agricultural commodities). For additional details,

please see <https://www.worldbank.org/commodities>. Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date. For the definition of EMDEs, developing countries, commodity exporters, and commodity importers, please refer to table 1.2. EM7 includes Brazil, China, India, Indonesia, Mexico, the Russian Federation, and Turkey. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela owing to lack of reliable data of adequate quality. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

Indian Economic Overview

India's economy is expected to expand by 8.3 percent in fiscal year 2021/22 (ending March 2022), unchanged from last June's forecast as the recovery is yet to become broad-based. The economy should benefit from the resumption of contact-intensive services, and ongoing but narrowing monetary and fiscal policy support. In FY2022/23 and FY2023/24 growth has been upgraded, to 8.7 and 6.8 percent respectively, to reflect an improving investment outlook with private investment, particularly manufacturing, benefiting from the Production-Linked Incentive (PLI) Scheme, and increases in infrastructure investment. The growth outlook will also be supported by ongoing structural reforms, a better-than-expected financial sector recovery, and measures to resolve financial sector challenges despite ongoing risks.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's GDP (at constant 2011-12 prices) was estimated at Rs. 33.14 trillion (US\$ 452.74 billion) for the second quarter of FY2020-21, against Rs. 35.84 trillion (US\$ 489.62 billion) in the second quarter of FY2019-20. India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have 100 unicorns by 2025 and will create 1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's foreign exchange reserves stood at US\$ 581.131 billion in the week up to December 18, 2020 according to data from RBI.

Chemicals

Chemicals are a part of every aspect of human life, right from the food we eat to the clothes we wear to the cars we drive. Chemical industry contributes significantly to improving the quality of life through breakthrough innovations enabling pure drinking water, faster medical treatment, stronger homes and greener fuels. The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy.

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%. India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

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.

Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term, and long-term measures. In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors

such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

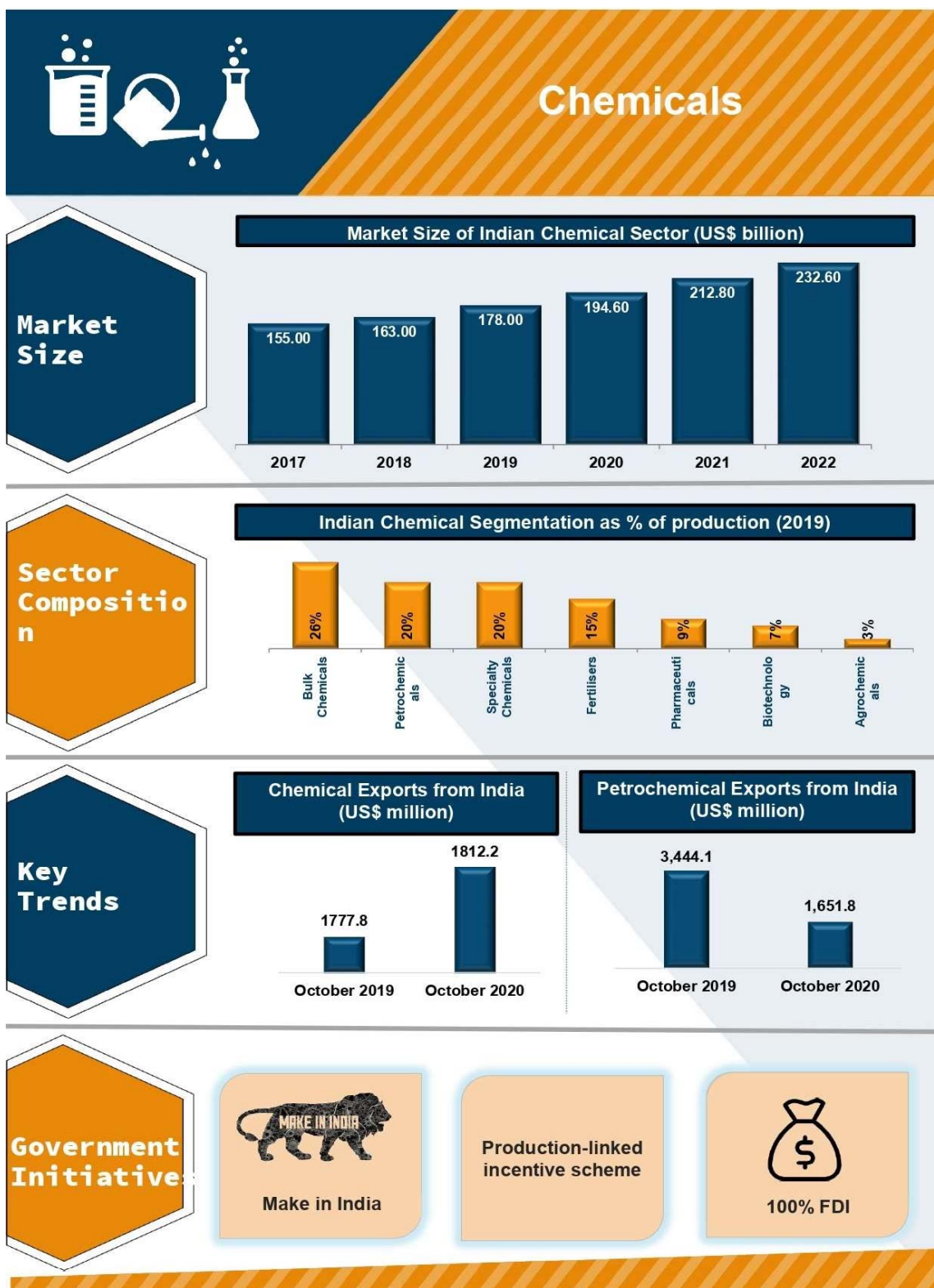
Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- On January 6, 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million to upgrade the State Highway network and district road network in Andhra Pradesh.
- On January 5, 2021, the Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund Trust of the Prime Minister allocated Rs. 201.58 crore (US\$ 27.56 million) to establish 162 additional dedicated pressure swing adsorption (PSA) medical oxygen generation plants within the country's public health facilities.
- On January 5, 2021, a US\$ 105 million project to develop the inland water transport system in Kolkata, West Bengal, was signed by the Government of India, Government of West Bengal and the World Bank.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 231 million loan to boost electricity generation capacity in Assam through the establishment of a hydroelectric power plant of 120 megawatts (MW) that will strengthen household electricity availability.
- In December 2020, the Government of India and Asian Development Bank (ADB) signed a US\$ 100 million loan to modernise and upgrade the power distribution system to boost the quality and efficiency of electricity supply in Bengaluru, Karnataka.
- In December 2020, the Indian cabinet approved assistance of ~Rs. 3,500 crore (US\$ 478.60 million) for sugarcane farmers (Ganna Kisan).
- The Prime Minister of India, Shri. Narendra Modi announced various economic packages worth ~Rs. 30 trillion (US\$ 410 billion), which was ~15% of India's GDP.
- In December 2020, the Government of India and New Development Bank (NDB) signed a loan agreement to lend US\$ 1 billion via the Mahatma Gandhi National Rural Employment Guarantee Scheme to support the 'Aatmanirbhar Bharat' initiative.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

INDIAN CHEMICALS INDUSTRY REPORT





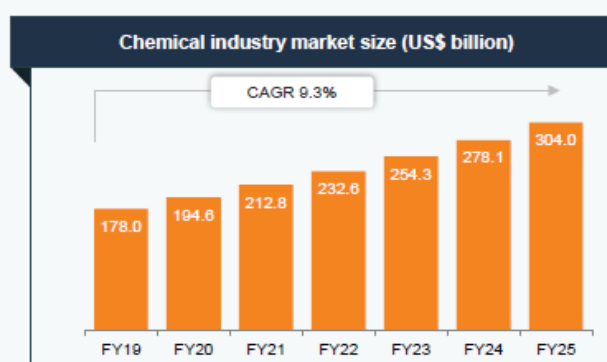
Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific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

CHEMICALS MARKET IN INDIA

Chemicals market in India



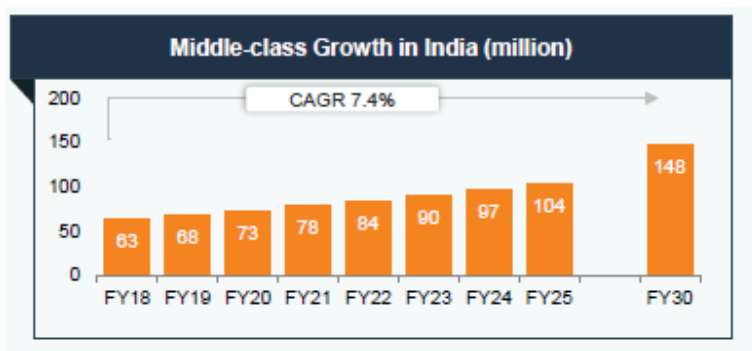
- Chemicals industry in India covers >80,000 commercial products.
- India's chemicals industry is de-licensed, except for a few hazardous chemicals.
- The industry is expected to reach US\$ 304 billion by 2025 at a CAGR of 9.3%, driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment.
- Specialty chemicals constitute for 22% of the total chemicals and petrochemicals market in India. Demand for specialty chemicals is expected to register 12% CAGR in 2019-22.
- Specialty chemical companies are seeking at import substitutions while exploring export opportunities to accelerate their business.
- The petrochemical demand is expected to record a 7.5% CAGR between 2019 and 2023, with the demand for polymers growing at 8%.
- The agrochemicals market in India is expected to register 8% CAGR to reach US\$ 3.7 billion by FY22 and US\$ 4.7 billion by FY25.
- The country ranks 14th in exports and 8th in imports of chemicals worldwide.



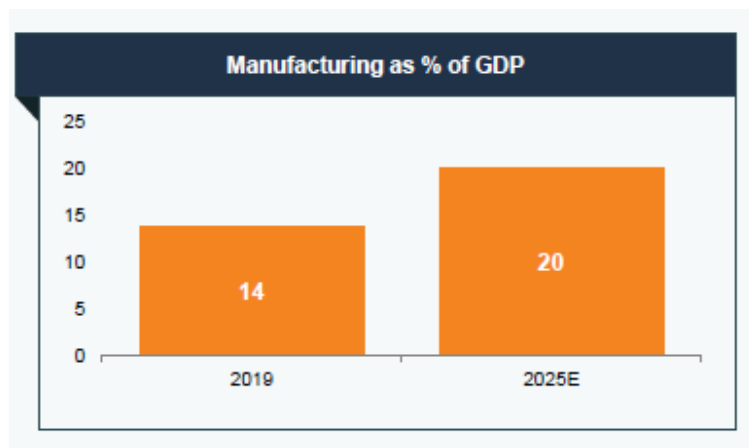
Growth of Chemical Industry

The major growth drivers, behind India's chemical industry could be listed as follows:-

- Rise in domestic demand:
 - By 2030, India is likely to have ~80% of the households in the middle-income group.
 - The growing middle-class and increasing urbanisation is driving the demand for personal care, agrochemicals, food, paints & coatings resulting into higher consumption of chemicals per capita.



- Government aims to boost manufacturing share in GDP to 20% by 2025:
 - a. Government considers the manufacturing sector to be a key focus area and has contacted ~1,450 companies worldwide to manufacture in India.
 - b. The government plan includes 2-3 autonomous zones which does not have labor and land laws.
 - c. ~300 companies are actively pursuing production plans in mobiles, electronics, medical devices and textiles.



- Emerging Manufacturing Hubs:
The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.
- Rise In Disinfectant Demand Post Covid-19:
With increasing demand for disinfection of personal and public places post COVID-19, the chloro-alkali, ethanol, personal care, and surfactant industry is expected to record significant growth in near future.
- Foreign Investment:
Presence of prominent global players, such as BASF, Dow Chemicals, Bayer and others, 100% FDI in the chemicals sector and stringent laws on anti-dumping to drive the Indian chemical market.

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 recognises 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.

Road Ahead

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 chemical.

OUR BUSINESS

Unless the context otherwise requires, in this section, reference to “we”, “us”, “our”, “Company” or “Our Company” refers to A-1 Acid Limited

Overview

Our Company was originally incorporated as “A-1 Acid Private Limited” under the Companies Act, 1956 on April 22, 2004 with the Registrar of Companies, Gujarat, Dadra and Nagar Havelli as a Private Limited company under the provisions of the Companies Act, 1956 bearing registration no. 044011. The status of the Company was changed to public limited and the name of our Company was changed to “A-1 Acid Limited” vide Special Resolution dated January 22, 2018. The fresh certificate of incorporation consequent to conversion to Public Limited Company was issued on January 29, 2018 by the Registrar of Companies, Ahmedabad.

Our Company is promoted by Harshadkumar Patel and Jitendra Patel. Our promoters are actively and fully involved in the day-to-day affairs of our company’s operations. Harshadkumar Patel and Jitendra Patel have 31 years and 30 years of experience respectively in the Chemical business and industry.

Our company is engaged in the business of trading of high quality industrial acid and Chemicals. We offer a wide range of chemical products which finds variety of applications in the industrial sector like chemical, textile, steel and aluminium, pesticides, fertilizers, Dyes & intermediates, metals, petro refineries, laminates and plywood. Our products are also used in Dairy products, food colours, cattle feed, Poultry, Pharma Intermediates. We also provide in Defence Department. We also provide transportation facilities to our customers through our owned fleet of tankers. We have strengthened logistic business by adding multiple number of vehicles.. The world has recognized the need for healthcare segment early warning systems, currently for COVID-19, but in the future, this pattern will continue for all types of Pharma and Ancillary industries, we have indirectly benefited our products are used in making Sanitizers, liquid soaps, packaging industries.

Currently the registered and correspondence offices of our company are situated at Gujarat. We have two godowns/warehouses located at Gujarat and two branch offices located at Rajasthan and Madhya Pradesh. Our offices are well equipped with the necessary infrastructure facilities.

As per financial statements for the fiscal year ended on March 31, 2022, 2021 and 2020, the total revenue of our Company stood at Rs. 31436 Lakhs, Rs. 14,903 Lakhs and Rs. 11,982 Lakhs respectively. Further, our profit after tax for fiscal year ended on March 31, 2022, 2021 and 2020 stood at Rs. 630 Lakhs, Rs. 273 Lakhs and Rs. 318 Lakhs respectively. We have achieved more than 100% growth in the current financial year in turnover.

Our Product

Details of our products are set forth in the table below:

| Product | Description |
|--|---|
| Nitric Acid (HNO₃) (All Grade) | It is referred to as fuming nitric acid. Depending on the amount of nitrogen dioxide present, fuming nitric acid is further characterized as white fuming nitric acid or red fuming nitric acid, at concentrations above 95%. Nitric acid (HNO ₃). The pure compound is colorless, but older samples tend to acquire a yellow cast due to decomposition into oxides of nitrogen and water. Most commercially available nitric acid has a concentration of 68% in water. When the solution contains more than 86% HNO ₃ , it is referred to as fuming nitric acid. Depending on the amount of nitrogen dioxide present, fuming nitric acid is further characterized as white fuming nitric acid at concentrations above 95%, or red fuming nitric acid at concentrations above 86%. Nitric acid is the primary reagent used for nitration – the addition of a nitro group, typically to an organic molecule. While some resulting nitro compounds are shock- and thermally- sensitive explosives, a few are stable enough to be used in munitions and demolition, while others are still more stable and used as pigments in inks and dyes. Nitric acid is also commonly used as a strong oxidizing agent. |
| Sulphuric Acid | Sulphuric acid is a mineral acid with molecular formula H ₂ SO ₄ . It is a colorless, odorless, and syrupy liquid that is soluble in water, in a reaction that is highly exothermic. Its corrosiveness can be mainly ascribed to its strong acidic nature, and if concentrated its dehydrating and oxidizing properties. It is also hygroscopic, readily absorbing water vapour |

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| | from the air. Sulphuric acid at even moderate concentrations is very dangerous upon contact with skin. The most common use of sulfuric acid (60% of total) is for fertilizer manufacture. It is also a central substance in the chemical industry. Principal uses include fertilizer manufacturing (and other mineral processing), oil refining, wastewater processing, and chemical synthesis. It has a wide range of end applications including in domestic acidic drain cleaners, as an electrolyte in lead-acid batteries and in various cleaning agents. |
| Hydrochloric Acid | Hydrochloric acid is manufactured to food grade and industrial grade specifications. Food grade hydrochloric acid finds use in the production of food ingredients, food additives and in the sugar and brewery industries, while the industrial grade finds application in metal pickling, latex coagulation, dyestuffs, leather treatment, petroleum refining, galvanising and water treatment, Pharma and Cattlefeed. |
| Acetic Acid | Acetic Acid is used in textile industries for textile processing and printing, pharmaceuticals and pesticides. |
| Formic Acid | Used as a coagulant for obtaining rubber from latex. As an auxiliary for declining and pickling of fur, fixing of dyes in leather industry and in processing in textile industry. As an intermediate in manufacturing of basic drugs, plant protection agents, pesticides vulcanisation accelerators, antioxidants and cleaning agents. Used in preservation of silage and grams. Used in electroplating and as a solvent as well. |
| Toluene Diisocyanate (TDI) | Toluene Diisocyanate (TDI) 80-20 is a toxic and highly reactive organic compound. The chemical formula for TDI is $(CH_3C_6H_3[NCO]_2)$. TDI is often marketed as TDI 80/20. Commercial production of toluene diisocyanate involves the conversion of toluene to a diamine, which is reacted with phosgene to yield TDI, a clear to pale yellow liquid with a sharp odour. TDI 80-20 is a mixture blend of 80% 2,4-toluene diisocyanate and 20% 2,6-toluene diisocyanate. TDI 80-20 is mainly used in the production of polyurethane foam and other polyurethane products including elastomers, synthetic leather, coated fabrics, paints and adhesives. |
| Methanol | Methanol is colorless, volatile, flammable, and poisonous. It is made from the destructive distillation of wood and is chiefly synthesized from carbon monoxide and hydrogen. Methanol is a polar liquid at room temperature. It is used as anti-freeze, solvent, fuel, and as a denaturant for ethanol. |
| Sodium Hypochlorite | Sodium hypochlorite is an excellent steriliser, oxidiser and decolouring agent. It is used to make disinfectants and a variety of pharmaceutical drugs. It is also widely used for water treatment. In the process, sodium hypochlorite ($NaClO$) and sodium chloride ($NaCl$) are formed when chlorine is passed into cold dilute sodium hydroxide solution. The solution must be kept below $40^\circ C$ (by cooling coils) to prevent the undesired formation of sodium chlorate. |
| Calcium Carbonate | Calcium Carbonate is a white, odorless powder or colorless crystals. Precipitated calcium carbonate (CAS: 471-34-1) is produced industrially by the decomposition of limestone to calcium oxide followed by subsequent recarbonization or as a by-product of the Solvay process (which is used to make sodium carbonate). Also used in cement manufacturing for water treatment. |
| Fly Ash | Fly ash, also known as "pulverised fuel ash" in the United Kingdom, is a coal combustion product that is composed of the particulates (fine particles of burned fuel) that are driven out of coal-fired boilers together with the flue gases. Ash that falls to the bottom of the boiler is called bottom ash. In modern coal-fired power plants, fly ash is generally captured by electrostatic precipitators or other particle filtration equipment before the flue gases reach the chimneys. Together with bottom ash removed from the bottom of the boiler, it is known as coal ash. Depending upon the source and composition of the coal being burned, the components of fly ash vary considerably, but all fly ash includes substantial amounts of silicon dioxide (SiO_2) (both amorphous and crystalline), aluminum oxide (Al_2O_3) and calcium oxide (CaO) the main mineral compounds in coal-bearing rock strata. |
| Oleum | Oleum is a cloudy, gray, fuming, oily, corrosive liquid, with a sharp, penetrating odor. Its composition is that of H_2SO_4 with dissolved SO_3 . Also used in Dyestuff Industries. |

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| Phospho Gypsum | Phospho gypsum is a radioactive waste product that results from processing phosphate ore to make the phosphoric acid used in fertilizer. |
| Methylene Chloride (MDC) | Methylene dichloride (MDC) is a colourless, volatile liquid with a moderately sweet aroma. It is widely used in the food industry and pharma industry. It has been used to decaffeinate coffee and tea. Widely used as a paint stripper and a degreaser. Its volatility has led to its use as an aerosol spray propellant and as a blowing agent for polyurethane foams and in pharma industry. |
| Formaldehyde and Para Formaldehyde | Formaldehyde-based resins are used for making particle boards, medium density fibreboard, plywood, cabinets, laminated countertops and insulation. Throughout the chemical industry and in the production of textile binders and paints. |
| Caustic Soda Lye/ Flakes | Caustic soda is also known as lye or sodium hydroxide and is widely used in alumina refineries and in the manufacture of soaps and detergents, viscose fibre production and zeolite. It is also a raw material for a large number of chemicals used in the paper, textiles, dyes, refinery and other industries. Considered to be the most common base in chemical laboratories, caustic soda also finds use in the production of food additives. |
| Ethyl Acetate | This colorless liquid has a characteristic of sweet smell (similar to pear drops) and is used in glues, nail polish remover, decaffeinating tea and coffee, and cigarettes. Ethyl acetate is the ester of ethanol and acetic acid; it is manufactured on a large scale for use as a solvent in printing Industries. Also used as a solvent/binding agent in packaging Industries in High density poly bags. |
| Caustic Chlorine | It is the technology used to produce chlorine and sodium hydroxide (lye/caustic soda), which are commodity chemicals required by industry. Usually the process is conducted on a brine (an aqueous solution of NaCl), in which case NaOH, hydrogen, and chlorine result. |
| 6-acetyl oapsa | 6-ACETYL OAPSA is a very important intermediate, 6-ACETYL OAPSA is used with the other intermediate to manufacture other quality products. |
| HF – 60% | Hydrofluoric (HF) acid is used mainly for industrial purposes (e.g. glass etching, metal cleaning, electronics manufacturing). HF acid also may be found in home rust removers. HF solutions are particularly used in the glass industry (frosting, staining), in crystal activities (defrosting) and in ceramics activities. Also, in metallurgical field, these grades are used in surface treatment, cast-iron-steel and stainless steels cleaning. HF solutions are also used in other more general applications such as the separation of rare earth, or utilized as a catalyst. |
| Stable Bleaching Powder Grade – I | Stable Bleaching Powder (SBP) is manufactured by Chlorination of high grade Hydrated Lime (Slaked Lime) using Liquid chlorine. It decomposes on contact with water, releasing chlorine at the point of application. This makes it a strong oxidising, bleaching and disinfecting agent. It is used as a disinfectant in water treatment and also in the textiles, pulp and paper, and carpet industries. |
| WNA 18% to 40% | It is referred to as Dilute nitric acid. Depending on the amount of nitrogen dioxide present. Dilute Nitric Acid is used in production of Ammonium Nitrates, Fertilisers, in the production of Dyes and plastic compound and it is also used to protect ferrous Alloys against corrosion. |
| Urea- Industrial grade | Technical Grade Urea is an organic compound. Urea is widely used in fertilizers as a source of nitrogen and is an important raw material for the chemical industry, animal feed, laminated boards. Applications : T.G.Urea is component of animal feed. |
| Urea – Technical Grade | Technical Grade Urea is an organic compound. The liver forms it by combining two ammonia molecules with a carbon dioxide molecule in the urea cycle. Urea is widely used in fertilizers as a source of nitrogen and is an important raw material for the chemical industry, animal feed, laminated boards. Technical Grade Urea is used in the manufacturing of Diesel Exhaust Fluid (DEF) which is used as a Exhaust stream fuel for BS-VI vehicles for the reduction of carbon footprint. |
| MTD (Meta-toluene Diamine) | Toluene-2,4-diamine is used in producing TDI, Mainly used for the synthesis of TDI raw materials and polyether starting agent: TDA as the starting agent synthesis of polyether polyols, vulcanization dye, made of foam uniform and meticulous, can improve the foam insulation properties and low temperature performance; used as epoxy Resin curing agents , |

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| | dye intermediates; alkaline dyes and dispersal dyes, DMTDA, DETDA. and like in the pharmaceutical intermediates and other organic synthesis intermediates as synthetic aromatic diamine curing agents for polyurethane elastomers and epoxy resins. |
| Phosphoric Acid | Phosphoric acid is a component of fertilizers (80% of total use), detergents, and many household cleaning products. Dilute solutions have a pleasing acid taste; thus, it's also used as a food additive, lending acidic properties to soft drinks and other prepared foods, and in water treatment products. In the oil industry for filtration and separation. Among the various types of acids, phosphoric acid is used commonly in the removal of rust from metals like iron, steel, etc. Phosphoric acid is often used as a food additive wide variety of personal care products. Some of them include cleansing products, bath products, fragrances, hair care products and dyes, nail products, makeup, and other skin care products. |
| NITROBENZENE | Nitrobenzene is used as a solvent in electrophilic reactions or as a mask for unpleasant smells in paints, floor polishes, and other unpleasant-smelling compounds. The major use of nitrobenzene is in the production of aniline, commercially the most important amine. In the pharmaceutical industry nitrobenzene is used in the production of the analgesic acetaminophen, or paracetamol. Nitrobenzene is also used in shoe and floor polishes, leather dressings, and paint solvents to mask unpleasant odors. As oil of mirbane, nitrobenzene was used as an inexpensive perfume for soaps and cosmetics but is now considered too toxic for such applications. -- |

Our business process can be summarized as under:-

We are working under the name and style —A-1 Acid Limited. Our Company is involved in trading of wide range of Industrial chemicals and acid products. We also provide transportation facilities to our customers through our owned fleet of tankers. Our products are marketed and sold across PAN India. The products are provided to the customer on demand basis and as and when demand arises, the product is procured from the suppliers including companies like Gujarat State Fertilizers & Chemicals Limited (GSFC), Gujarat Narmada Valley Fertilizers Company Limited (GNFC), Hindalco Industries and is made available to the customer. We also keep in touch with our existing and prospective customers and collects purchase orders and build delivery schedule. Some frequently traded products include Nitric Acid, Hydrochloric Acid, and Sulphuric Acid, Urea- Industrial grade, Acetic acid, Ethyl Acetate, Formic Acid etc. We plan to grow our business primarily by increasing the number of customers, as we believe that increased customer relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more customers.

We have also entered into the agreement/understanding with Gujarat State Fertilizers & Chemicals Limited for selling Sulphuric Acid, with Hindalco Industries Limited and Gujarat Narmada Valley Fertilizers Company Limited as an authorised dealer. We have acquired 45% stake in A-1 Sureja Industries (Electric- Bike Manufacturing Industries).

Our Strengths

1. Experienced Management Team

Our management team includes professionals with experience in the chemical industry as well as finance and marketing functions. Our Promoter Harshadkumar Patel brings his entrepreneurial vision and leadership which has been instrumental in growing and sustaining our business operations. We believe that our management team is growth oriented, and has ability to manage growth in rapidly changing business environment and delivery of high quality materials at sustainable cost. For details regarding the education and experience of our promoters, please refer to chapter titled "*Our Management*" beginning on page no. 55 of this Information Memorandum.

2. Quality Assurance and Standards

Our Company believes in the quality in our process and products. We are committed to deliver the good quality material in proper manner at all steps of the trading chain from procurement materials to dispatch. Our dedicated internal quality control team ensures the compliance with good trading practices. We give prime focus to providing

quality material to our customers and follows high quality standards.

3. Cordial Relationships with our Suppliers

We have cordial relationship with our suppliers for supply of materials, which we believe provides us with the competitive advantage of effective and timely sourcing of raw materials. We also believe effective sourcing of materials ensures timely delivery of our products to our customers, thereby enhancing the value provided to our customers.

Challenges

1. As the Indian Economy going through lot of turbulence, growth opportunities are bit constrained at this stage.
2. Competition from local competitors who offer few products at lesser price;
3. Material shortage/ undersupply and volatility in prices.

Our Strategies

1. Improving operational efficiencies

We make continuous efforts to improve efficiencies to achieve cost reductions so that we can be competitive in market. We believe that we can achieve the same by gaining economies of scale in our operations and continuous research and development. Our operations team including senior management adopts good practices in line with industry standards across our trading facilities.

2. Expand geographical reach

We seek to expand and enhance our presence in our existing business segments by identifying markets where we can provide cost-effective and quality materials to prospective consumers. We seek to capitalize on our existing experience, established contacts with suppliers and entering in to the new products considering the local working conditions. We seek to expand in Southern Region and Eastern Region and also have branch offices at Udaipur and Indore.

3. Strengthening our brand

We intend to invest in developing and enhancing recognition of our brand through brand building efforts, communication and promotional initiatives such as participation in industry events, public relations and investor relations efforts. This will help us to maintain and improve our reach. We believe that our branding exercise will enhance the recall value and trust in the minds of our customers and will help in increasing demand for our products. Our Corporate customer base include members of Fortune 500 group of India such as BPCL, IOCL, Amul, etc.

4. Capacity Utilization:

Capacity and capacity utilization is not applicable on us, since our Company is into trading business.

5. Major Customers and Suppliers and clients.

The major customers of our Company are Bharat Acid & Chemicals Co., Mittal Group, Colourtex Industries Pvt Ltd, Uttarak Industries Pvt Ltd, Chemie Organics Chemicals (I) Pvt Ltd and our major suppliers are GNFC Limited, Hindustan Zinc Ltd, GSFC Limited, Nirma Limited and Grasim Industries Ltd. IOLChemicals & Pahramceuticals, ,BPCL, Adani Group, JSL, Baba Group, GACL, etc.

6. Export and Export Obligations

Our Company come across many opportunities for export but are focused on Domestic Sale only.

7. Collaborations

The Company has so far not entered into any technical or financial collaboration agreement.

8. To build-up a professional organization

We believe in transparency, commitment and coordination in our work, with our suppliers and customers. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound

and strong in times to come.

9. Training our employees

We believe that the successful implementation of our business and growth strategies depends on our employees commitment to our vision. We also believe that to sustain our future growth, we need to continue to train and empower our employees. As we expand our business into other geographical region, our ability to successfully train our existing and new employees will play a crucial role.

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our offices are well equipped with computer systems, internet, connectivity, other communication equipment, security and other facilities, which are required for smooth functioning of the company.

Utilities Power

The requirement of power is met through Torrent Power Limited for the supply of electrical energy for use in our premise.

Water

Water is required only for drinking and sanitary purposes and adequate water sources are available. The requirements are fully met at the existing premises.

Plant and Machinery

We do not own any major plant and machinery, since we are a trading company.

Marketing Strategy

We have team for marketing executives. Our principal markets include all over the country. Our promoter Harshadkumar Patel heads the marketing team. Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our marketing team along with their experience and good rapport with clients owing timely delivery of service plays an important role in creating and expanding a work platform for our Company.

Human Resource

Our Company employs both skilled and semi-skilled workers. Currently our Company has one Managing Director and seven employees and thirty labours casual and temporary in nature.

We have not experienced any major work stoppages due to labour disputes or cessation of work in the recent past and we have cordial relationship with our employees.

Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. For more details, see – *Key Industry Regulations and Policies* on page 45 of this Information Memorandum.

Competition

We face competition from various domestic and other players in the market. We foresee this competition to continue to grow as the demand for our products increases. Most of our competitors in the regional level are from the unorganized sector of the industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, established relationship with suppliers, brand recognition etc.

Insurance

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with industry standards. At present our insurance policies provide for coverage against risk including public liability industrial and storage policy, public carrier policy and commercial

vehicle policy insurance. These insurance policies are generally valid for one year and are renewed annually by us.




The registered office has been taken on lease basis with effect from 26th November, 2021

Details of our properties are set forth in the table below:-

| Location | Description | Title (Leased / Owned / Rent / Leave and license) | Validity |
|--|-----------------------|---|-------------------------------|
| Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S. G. Highway, Bodakdev, Ahmedabad – 380059, Gujarat | Registered Office | Leave and License agreement | 19 th October,2022 |
| Office Room Number 122-123, A, Block, 1 st Floor Anand Plaza, Aayad Puliya, Udaipur, Rajasthan | Branch Office | Rent agreement | In renewal |
| Office No. 2, GNFC North Gate, Village Vadadala, District Bharuch – 392011, Gujarat, India | Correspondence Office | Leave and License agreement | 19 th October,2022 |
| Village- Saijpur – Gopalpur, Opp. Cozy Hotel, Narol, Ahmedabad-382405, Gujarat, India | Godown/ Warehouse | Leave and License agreement | 19 th October,2022 |
| Survey No. 25/1+3, GNFC North Gate, Opp. Tanker Terminal, Vadadala, Dist. Bharuch, -392011, Gujarat, India | Godown/ Warehouse | Leave and License agreement | 19 th October,2022 |
| Rupmati Compound, Behind Vinayak Weigh Bridge, Sanwer Road, Bhawarsala, Indore- 452015 (M.P.) | Branch Office | Rent agreement | 1 st August,2022 |

Intellectual Property

Our Company has obtained the registration of following trademarks as on the date of filing of this Prospectus and for more details please refer “Government and Other Approvals” on page 84 of this Prospectus:

| S. N. | Trademark | Trademark Type | Class | Applicant | Applicat ion No. | Date of Application | Registrati on Status | Valid Upto |
|-------|---|----------------|-------|------------------|------------------|---------------------|----------------------|------------|
| 1. |  | Device | 39 | A-1 Acid Limited | 3695719 | 05/12/2017 | Registered | 05/12/2027 |
| 2 |  | Device | 1 | A-1 Acid Limited | 3695717 | 05/12/2017 | Objected | - |
| 3 |  | Device | 1 | A-1 Acid Limited | 3942020 | 11/09/2018 | Applied | - |

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.

For details of Government Approvals obtained by us in compliance with these regulations, please see “Government and Other Statutory Approvals” on page no. 84 of this Information Memorandum.

APPLICABLE LAWS AND REGULATIONS:

A. BUSINESS / TRADE RELATED LAWS / REGULATIONS:

1. The Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents. Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on —Zero Defect to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one-time basis.

2. Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 01, 2020 revising definition and criterion and the same has come into effect from July 01, 2020. The notification revised the definitions as “Micro enterprise”, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed fifty crore and turnover does not exceed two hundred and fifty crore rupees.

3. Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

4. The Companies Act, 2013

The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

5. Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)

The Contract Labour (Regulation and Abolition) Act, 1970 has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

6. Employees “Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

7. Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to

Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as—Deposit-Linked Insurance Fund Account.

8. The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

9. Employees "State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation there to. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

10. Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

11. Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

12. Minimum Wages Act, 1948("MWA")

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out- workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

13. Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

14. Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

15. Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

16. Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

17. The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and work place are both defined in the act. Every employee should also constitute an-Internal Complaints Committee and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

18. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter- state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor has to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

19. Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations lay on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

B. TAX RELATED LEGISLATIONS

1. Income-tax Act, 1961

Income-tax Act, 1961 (“IT Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

2. Value Added Tax (“VAT”)

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of dealer defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlours, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc. are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager or agent of the employer.

3. Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. Export and supplies to SEZ shall be treated as zero rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

C. OTHER LAWS

1. Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

D. ENVIRONMENTAL LEGISLATIONS

1. The Environment Protection Act, 1986 (“Environment Protection Act”)

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

2. Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

3. Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act.

4. Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Rules”)

The Hazardous Waste Rules, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

5. The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

6. National Environmental Policy, 2006

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive

contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

E. INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

1. Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

2. Trade Marks Act, 1999 (“TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

F. GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act, 1930 and Consumer Protection Act, 1986 are also applicable to the company.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated as A-1 Acid Private Limited on April 22, 2004 under the Companies Act, 1956 and a certificate of incorporation was issued by Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 22, 2004. Subsequently, our Company has taken over the sole proprietorship concern in the name and style of “A-1 Acid & Chemicals” w.e.f. June 08, 2004. Further our Company converted into a public limited Company pursuant to special resolution passed at the Extra Ordinary General Meeting of our Company held on January 22, 2018 and the name of our Company was changed to A-1 Acid Limited. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Assistant Registrar of Companies, Ahmedabad, Gujarat dated January 29, 2018. Further our company came out with Initial Public Offer in the year 2018. Further the Equity Shares of our company were listed on SME Platform of BSE Limited pursuant to Initial Public Offer with effect from October 10, 2018. Our Corporate Identification Number is L24119GJ2004PLC044011.

OVERVIEW

Our Company is promoted by Harshadkumar Patel and Jitendra Patel. Our promoters are actively and fully involved in the day-to-day affairs of our company’s operations. Harshadkumar Patel and Jitendra Patel have 31 years and 30 years of experience respectively in the Chemical business and industry.

Our Company is involved in trading of wide range of chemicals and acid products. We also provide transportation facilities to our customers through our owned fleet of tankers. We offer a wide range of chemical products which finds variety of applications in the industrial sector like chemical, textile, steel and aluminium, pesticides, fertilizers, intermediates, defence, metals and petro refineries. Our products are marketed and sold Pan India. The products are provided to the customer on demand basis and as and when demand arises, the product is procured from the suppliers including companies like Gujarat State Fertilizers & Chemicals Limited (GSFC), Gujarat Narmada Valley Fertilizers Company Limited (GNFC), Baba Group, Adani Group, etc and is made available to the customer. We also keep in touch with our existing and prospective customers and collects purchase orders and build delivery schedule. Some frequently traded products include Nitric Acid, Hydrochloric Acid, Sulphuric Acid, Technical Grade Urea, Ethyl Acetate, Acetic Acid, etc. We plan to grow our business primarily by increasing the number of customers, as we believe that increased customer relationships will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more customers.

We have also entered into the agreement/understanding with Gujarat State Fertilizers & Chemicals Limited for selling Sulphuric Acid with GACL and Gujarat Narmada Valley Fertilizers Company Limited as an authorised dealer.

Currently the registered and correspondence offices of our company are situated at Gujarat. We have two godowns/warehouses both are located at Gujarat and two branch offices located at Rajasthan and Madhya Pradesh. Our offices are well equipped with the necessary infrastructure facilities.

For further details regarding our business operations, please see “Our Business” beginning on page no. 38 of this Information Memorandum.

Our Company has 323 Shareholders as on June 24, 2022.

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

| Year | Major Events/Achievements |
|---------------|--|
| April, 2004 | Incorporation of Company in the name and style of A-1 Acid Private Limited |
| June, 2004 | Our Company took over a sole proprietorship concern namely —A-1 Acid & Chemicals of Late Naranbhai Patel as its sole proprietor. |
| January, 2018 | Changed the status of our Company from Private to Public i.e. A-1 Acid Limited and Aligning MoA with Companies Act, 2013. |
| October, 2018 | Initial Public Offer of the Company and Listing on BSE SME Platform. |
| August 2021 | 15,00,000 Bonus Equity Shares of Rs. 10/- each allotted |

MAIN OBJECTS OF OUR COMPANY:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on in India or elsewhere the business to manufacture, produce, process, compound, mix pack, formulate, condense, distill, rectify, sterilize, pasteurize, steam, evaporate, vapourise, cool, filter, commercialise, develop, treat, cure, refine, extract, operate, manipulate, prepare, purify, protect, preserve, disinfect, turn to account, and to act as broker, dealers of chemicals and Acid, agent, stockist, distributor, consultant, collaborator, buyer, seller, exporter, importer, job worker, vendor, contractor, supplier or otherwise to deal in all types of organic, inorganic, industrial, laboratory, phlebographic, fine, biological, pathological, pharmaceutical, chemicals, fine chemicals, dyes intermediates and other chemicals, compounds, drugs, formulations, liquids gases, petroleum, preparations, acid, dyechem, solvents, oils, solutions, derivatives, fluids, products, by-products, residues, catalysts, reagents, mixtures, concentrates, lumps, powders granules and transportation of goods including, liquid, petroleum and gas and allied items including commercial, transportation of the goods by road, railway, air or water.
2. To take over the proprietorship firm known as A-1 Acid and Chemicals alongwith all licences, titles; assets, liabilities and other rights connected with any such lands and buildings and to do the business of Chemicals and Acids as on 31/03/2004.

CHANGES IN OUR REGISTERED OFFICE:

As on the date of this Information Memorandum, the registered office of our company is situated at Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S.G. Highway, Bodakdev, Ahmedabad – 380059, Gujarat, India.

The Details of changes in the registered office of our Company are set forth below:-

| From | To | Effective Date | Reason |
|---|--|--------------------|-----------------------------------|
| 28, Patel Estate, Nagarvel Hanuman Road, Rakhial, Ahmedabad – 380023, Gujarat, India | Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S.G. Highway, Bodakdev, Ahmedabad – 380059, Gujarat, India | September 01, 2010 | For administrative convenience |

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

The amendments to our Memorandum of Association since the incorporation of our Company are as follows:

| Date of Shareholders' Resolution | Particulars |
|----------------------------------|---|
| September 29, 2017 | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from Rs. 1,00,00,000 divided into 10,00,000 equity shares of face value of Rs. 10.00 was increased to Rs. 12,00,00,000 divided into 20,00,000 equity shares of face value of Rs. 10.00 each. |
| January 22, 2018 | Change in the name of our Company from A-1 Acid Private Limited to A-1 Acid Limited pursuant to the conversion from Private Limited to Public Limited Company. |
| August 06, 2021 | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from 12,00,00,000/- (Rupees Twelve Crore Only) to Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10 each |

SUBSIDIARY OF OUR COMPANY

As of the date of this Information Memorandum, our Company does not have a subsidiary Company.

HOLDING COMPANY OF OUR COMPANY

As of the date of this Information Memorandum, our Company does not have a holding Company.

JOINT VENTURES

As on the date of this Information Memorandum, there are no joint ventures of our Company.

REVALUATION OF ASSETS IN THE LAST TEN YEARS

There has been no revaluation of assets of our company in last 10 years from the date of this Information Memorandum.

SHAREHOLDERS AGREEMENTS

As on the date of this Information Memorandum, our Company has not entered into any shareholder's agreements.

ACQUISITION OF BUSINESS / UNDERTAKINGS

We have not taken or acquired any business or undertaking.

DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS

Our company has not divested any of its business / undertaking in last 10 years from the date of this Information Memorandum.

FINANCIAL PARTNERS

As on the date of this Information Memorandum, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Information Memorandum.

STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Information Memorandum.

OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Information Memorandum.

INJUNCTIONS OR RESTRAINING ORDER AGAINST OUR COMPANY

As of the date of this Information Memorandum, there are no injunctions or restraining orders against our Company.

OUR MANAGEMENT

Board of Directors:

Our Company has seven (7) Directors consisting of three (3) Executive Directors, one (1) Non Executive Non Independent Director and three (3) Non Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Information Memorandum:

| Particulars | Nationality | Age | Other Directorships |
|---|-------------|-----|--|
| Harshadkumar Patel <i>(Chairman & Managing Director)</i> DIN: 00302819 Date of Birth: October 15, 1968 Address: 14, Upvan Villa, Gala Gymkhana Road, South Bopal, Ahmedabad – 380058 Gujarat, India Date of Appointment as Director: April 22, 2004 Term: Appointed as Managing Director for the period of five years w.e.f. February 01, 2018 Occupation: Business | Indian | 53 | <ul style="list-style-type: none"> Numeron Fashions Private Limited |
| Jitendra Patel <i>(Whole time Director)</i> DIN: 00164229 Date of Birth: October 27, 1971 Address: 14, Upvan Villa, Nr. Basant Bahar Umiya Temple, Bopal Ahmedabad 380058 Gujarat, India Date of Appointment as Director: April 22, 2004 Term: Appointed as whole time Director for the period of five years w.e.f. February 01, 2018 Occupation: Business | Indian | 51 | Nil |
| Utkarsh Patel <i>(Whole time Director)</i> DIN: 03055266 Date of Birth: April 18, 1991 Address: 14, Upvan Villa, Nr. Basant Bahar Umiya Temple, Bopal Ahmedabad 380058 Gujarat, India Date of Appointment as Director: April 30, 2010 | Indian | 31 | Nil |

Term: Appointed as Whole time Director for the period of five years with effect from February 1, 2018

Occupation: Business

Krishna Patel Indian 30 Nil

(Non-Executive Director)

DIN: 08685126

Date of Birth: November 14, 1992

Address: 14, Upavan Villa, Gala Gym Khana Road, South Bopal, Ahmedabad, Gujarat-380058

Occupation: Business

Date of Appointment as Director: February 17, 2020

Term: Appointed as Director as on December 25, 2020 for 5(five) years.

Occupation: Business

Lajju Shah Indian 47 • Saral Broking Private Limited
(Independent Director)

DIN: 00057858

Date of Birth: June 01, 1974

Address: 23/A-2, Amrapali, Nr. Sukhipura Bus Stop, New Sharda Mandir Road, Paldi, Ahmedabad -380007, Gujarat

Date of Appointment as Director: December 15, 2017

Term: 5 (five) years

Occupation: Business

Nitin Shah Indian 66 Nil

(Independent Director)

DIN: 08697467

Date of Birth: May 24, 1956

Address: 1, Git Govind Society, Shilaj Road, Thaltej Ahmedabad Gujarat India 380059

Date of Appointment as additional director: February 17, 2020

Date of Appointment as Director: September 25, 2020

Term: Appointed as Director for the period of 5

(five) years w.e.f. **February 17, 2020**

Occupation: Business

| | | |
|--|---------------------------------------|---|
| <p>Chirag Shah (Independent Director) DIN: 02165478 Date of Birth: November 18, 1972 Address: 18 Darpan Society, B/H C.B.I., St. Xavier School Road, Naranpura, Ahmedabad 380013, Gujarat, India Date of Appointment as Director: December 15, 2017 Term: Appointed as Independent Director for the period of three 5 (five) years w.e.f., December 15, 2017 Occupation: Business</p> | <p>Indian 49</p> | <ul style="list-style-type: none"> • Empire Intermediates Private Limited • Empire Coating & Polymers Private Limited |
|--|---------------------------------------|---|

| | | |
|---|---------------------------------------|---|
| <p>Mr. Suresh Somnath Dave (Independent Director) DIN: 08111653 Date of Birth: April 28, 1934 Address: 101, Punya Appartment 16-A, Sarswati Society, Nr. Jain Merchant Society, Paldi Ahmedabad Gujarat India 380007 Date of Appointment as additional director: January 27, 2022 Date of Appointment as Director: March 07, 2022 Term: Appointed as Independent Director for period of five(5) years from w.e.f January 27, 2022. Occupation: Business</p> | <p>Indian 88</p> | <ul style="list-style-type: none"> • Enn Enn Corp Limited • Sonam Clock limited |
|---|---------------------------------------|---|

Brief Profile of our Directors

Harshadkumar Patel aged 53 years is the Chairman and Managing Director of our Company. He has completed his Diploma in Mechanical Engineering from B & B Polytechnic, Vallabh Vidhya Nagar, Gujarat. He has an experience of around 31 years and has been associated with the Company since incorporation with overall responsibility for acquisition of materials, marketing, management, and finance functions. He is a guiding force behind the strategic decisions of our Company. He has been designated as the Managing Director with effect from February 01, 2018 with enhanced responsibilities to grow the business of the Company in size and geographically.

Jitendra Patel aged 50 years, is the Whole time Director of our Company. He has completed First Year B.com from L.J. CC Collage, Gujarat University. He has an experience of around 27 years and has been associated with the Company since incorporation. He looks after finance, administration, marketing and operational activities in our company. He has been appointed as the Whole time Director with effect from February 01, 2018.

Utkarsh Patel, aged 31 years, is the Whole time Director of our Company. He has completed his second year of Bachelor

of Commerce from Gujarat University, Ahmedabad. He joined our Board as Director since 2010. He has an experience of around 6 years in the business of the Company and looks after the logistic division. He is the founder of Numeron Restaurant located at Ahmedabad. He has been appointed as the Whole time Director with effect from February 01, 2018.

Krishna Patel, aged 30 years, is the Non – Executive Director of our company. She has completed her graduation B.SC in Hospitality and Hotel Administration she joined our Board w.e.f . February 17, 2020 she has experience in the area of Assisting in budget creation and tracking expenditures managing business development activities for the Company.

Nitin Shah, aged 66 years, is the Independent Director of our company. He holds Diploma from Insurance Institute of India. He is retired as regional Manager in National Insurance Company Limited. He also has professional expertise in management & administration. He joined our Board w.e.f . February 17, 2020.

Lajju Shah, aged 47 years, is an Independent Director of our Company. She has completed her graduation in commerce from Gujarat University. She has joined the Board since December 15, 2017. She has an experience of over 8 years.

Chirag Shah, aged 49 years, is an Independent Director of our Company. He has completed his Chartered Accountancy from the Institute of Chartered Accountants of India (ICAI). He has an experience over 10 years in the business of Dyes and chemical. He has joined our Board since December 15, 2017.

Suresh Somnath Dave aged 88 years, is an Independent Director of our company. He is a Bachelors in Arts, Company Secretary from The Institute of Company Secretaries of India, and also L.L.B, has an experience of more than 30 years in the field of Corporate and other laws. He has joined Board since January, 22, 2022.

Notes:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Information Memorandum, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

Confirmation

- None of the above mentioned Directors are on the RBI List of willful defaulters as on date of filing the Information Memorandum.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and persons in control of our Company has not been/are not debarred from accessing the capital market by SEBI.

Relationship between our Directors

None of our Directors are related to each other except as mentioned below:

1. Harshadkumar Patel and Jitendra Patel are brothers.
2. Harshadkumar Patel is the father of Utkarsh Patel.
3. Utkarsh Patel is the nephew of Jitendra Patel.
4. Krishna Patel is the wife of Mr. Utkarsh Patel

Remuneration to our Directors:

Set forth below is the remuneration paid by our Company to our Directors in F.Y.2021-22:

| Sr. No. | Name of Director | Remuneration paid in financial year 2021-22 |
|---------|------------------|---|
|---------|------------------|---|

| | | |
|--------------|--------------------|--------------------|
| 1. | Harshadkumar Patel | 66,12,000 |
| 2. | Jitendra Patel | 48,12,000 |
| 3. | Utkarsh Patel | 42,12,000 |
| Total | | 1,56,36,000 |

TERMS AND CONDITIONS OF EMPLOYMENT OF OUR EXECUTIVE DIRECTOR

Mr. Harshadkumar Patel

The compensation package payable to him as resolved in the shareholders meeting held on February 01, 2018, is stated hereunder:

| | |
|---|--|
| Salary | Rs. 66,12,000 per annum |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Chairman & Managing Director will be entitled to the remuneration mentioned above by way of minimum remuneration. |

Mr. Jitendra Patel

The compensation package payable to him as resolved in the shareholders meeting held on February 01, 2018 is stated hereunder:

| | |
|---|--|
| Salary | Rs. 48,12,000 per annum |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Chairman & Managing Director will be entitled to the remuneration mentioned above by way of minimum remuneration. |

Mr. Utkarsh Patel

The compensation package payable to him as resolved in the shareholders meeting held on February 01, 2018, is stated hereunder:

| | |
|---|--|
| Salary | Rs. 42,12,000 per annum |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Chairman & Managing Director will be entitled to the remuneration mentioned above by way of minimum remuneration. |

PAYMENT OR BENEFIT TO NON-EXECUTIVE OR INDEPENDENT DIRECTORS OF OUR COMPANY

Our Board has pursuant to its resolution dated February 06, 2018 fixed the sitting fees for our Independent Directors and Non-Executive Directors of our Board for attending each meeting of the Board and Committee(s) of the Board. Further, no Remuneration has been paid to our Non-Executive Directors during the financial year ended March 31, 2022.

Shareholding of Directors in our Company

The following table sets forth the shareholding of our Directors as on March 31, 2022:

| Name of Directors | No. of Equity Shares Held | Percentage (%) |
|-----------------------------------|----------------------------------|-----------------------|
| Harshadkumar Patel | 31,39,501 | 27.30% |
| Jitendra Patel | 31,39,500 | 27.30% |
| Utkarsh Patel | 8,85,500 | 7.70% |
| Total Holding of Directors | 71,64,501 | 62.30% |

Apart from mentioned above, no other Director hold any shares in our Company.

Appointment of Relatives of our Directors to any office or Place of Profit

Except as disclosed in the Information Memorandum, none of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of the Directors

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them on their holding of such shares and other distributions in respect

of the aforesaid Equity Shares. For further details, refer “Financial Information” on page no. 79 and “Our Promoter and Promoter Group” beginning on page nos. 66 of this Information Memorandum.

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members and Promoter, pursuant to this issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “Our Management” on page no. 55 of this Information Memorandum and “Financial Information” on page no. 79, our Directors do not have any other interest in our business.

Except as mentioned in the Information Memorandum, none of our Directors have any interest in any property acquired by our Company within two years of the date of this Information Memorandum or proposed to be acquired by it or in any transaction in acquisition of land, construction of building and supply of machinery etc.

Changes in the Board of Directors in the last three years

| Name of Director | Date of Appointment | Date of Cessation | Reason |
|--------------------------|---------------------|-------------------|---|
| Harshadkumar Patel | February 01, 2018 | - | Designated as Managing Director |
| Jitendra Patel | February 01, 2018 | - | Designated as Whole Time Director |
| Utkarsh Patel | February 01, 2018 | - | Designated as Whole Time Director |
| Nitin Rikhavbhai Shah | February 17, 2020 | - | Designated as Additional Independent Director |
| | September 25, 2020 | | Designated as Independent Director |
| Krishna Utkarsh Patel | February 17, 2020 | - | Designated as Additional Non-Executive Director |
| | September 25, 2020 | | Designated as Non- Executive Director |
| Helly Harshadkumar Patel | February 17,2020 | - | Designated as Additional Non-Executive Director |
| | September 25, 2020 | July 9 ,2021 | Cessation as Director |
| Hansa Bharatbhai Patel | December 15,2017 | July 9 ,2021 | Cessation as Director |
| Urvish Ratilal Patel | December 15,2017 | February 17, 2020 | Cessation as Independent Director |
| Suresh Somnath Dave | January 27, 2022 | - | Designated as Additional Independent Director |
| | March 7, 2022 | - | Designated as Independent Director |

Corporate Governance

We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015, to the extent

applicable. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance.

In compliance with the requirements of the Companies Act and the SEBI (LODR) Regulations, to the extent applicable our Board of Directors consists of Seven Directors (including one woman Director) of which three are Non-Executive Independent Directors which is in compliance with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations.

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

1. Audit Committee

Our present committee Audit committee members are:

| Name of Director | Status in Committee | Nature of Directorship |
|-----------------------|---------------------|---|
| Chirag Shah | Chairman | Non- Executive and Independent Director |
| Lajju Shah | Member | Non- Executive and Independent Director |
| Krishna Utkarsh Patel | Member | Non- Executive and Non Independent Director |

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013.

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;

- disclosure of any related party transactions;
- modified opinion(s) in the audit report;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Draft Prospectus / Prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the Draft Prospectus / Prospectus/notice in terms of Regulation 32(5).

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or

one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

2. Stakeholders Relationship Committee

The present Stakeholder Relationship committee members are:

| Name of Director | Status in Committee | Nature of Directorship |
|-----------------------|---------------------|---|
| Chirag Shah | Chairman | Non- Executive and Independent Director |
| Lajju Shah | Member | Non- Executive and Independent Director |
| Krishna Utkarsh Patel | Member | Non- Executive and Non Independent Director |

The Company Secretary of the Company shall act as the Secretary of the Stakeholders Relationship Committee.

Set forth below are the terms of reference of our Stakeholders Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholder's Relationship Committee shall be two members or one third of the members, whichever is greater.

3. Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

| Name of Director | Status in Committee | Nature of Directorship |
|-----------------------|---------------------|---|
| Chirag Shah | Chairman | Non- Executive and Independent Director |
| Lajju Shah | Member | Non- Executive and Independent Director |
| Krishna Utkarsh Patel | Member | Non- Executive and Non Independent Director |

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Quorum and Meetings

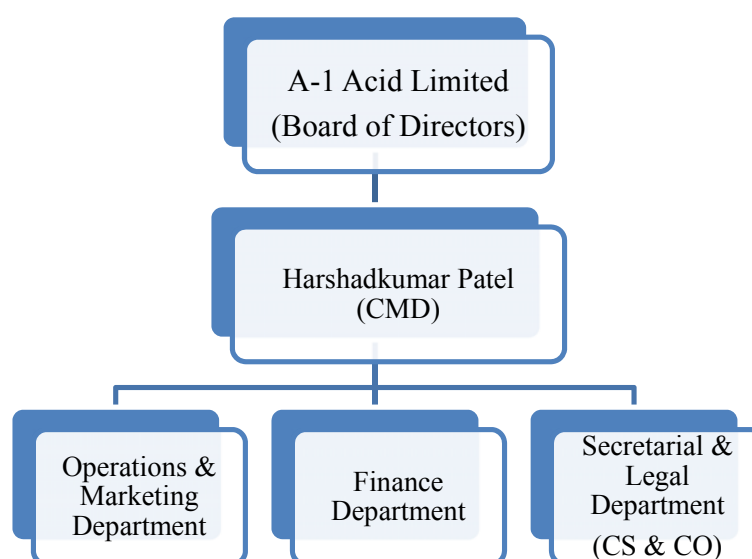
The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet atleast once a year.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 is applicable to our Company after listing of Equity Shares on the Stock Exchange. We comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public offer.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

Management Organization Structure



Terms & Abbreviations:

| | | |
|--------------------|---|---|
| CMD | - | Chairman, Managing Director |
| WTD | - | Whole Time Director |
| CS & CO | - | Company Secretary and Compliance Officer |

Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company.

Himanshu Thakkar, aged 33 years is the Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from Gujarat University. His responsibilities in our Company include overseeing the corporate finance, accounts, statutory and internal audit, financial projections of our Company. He looks after the day today accounting system, tax and other liasioning work with various government authorities. He has been as Chief Financial Officer dated February 15, 2018. His gross salary is Rs. 10.40 Lakhs per annum.

Aanal Patel aged 30 years, is the Company Secretary & Compliance Officer of our Company. She holds a Master degree

in commerce from Gujarat University. She is an associate member of the Institute of Company Secretaries of India. She has been associated with our Company since 2018. Her gross salary is Rs. 1.80 Lakhs per annum.

Relationship amongst the Key Managerial Personnel

None of the above mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors except as follows:

| Promoter / Director | Relationship with Aanal Patel (KMP) |
|---------------------|-------------------------------------|
| Harshadkumar Patel | Uncle |
| Jitendra Patel | Uncle |
| Utkarsh Patel | Cousin Brother |

Arrangement/Understanding with Major Shareholders/Customers/Suppliers

None of the KMPs have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Shareholding of the Key Managerial Personnel

Except as mentioned below, none of the key managerial personnel hold Equity Shares of our Company as on date of this Information Memorandum.

| Name | Designation | Shares held |
|--------------------|---------------------|-------------|
| Harshadkumar Patel | Managing Director | 31,39,501 |
| Jitendra Patel | Whole time Director | 31,39,500 |
| Utkarsh Patel | Whole time Director | 8,85,500 |

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. The key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

Our Company does not have fixed bonus/profits sharing plan for any of the employees, key managerial personnel.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our Key Managerial Personnel

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Information Memorandum

Set forth below are the changes in our key managerial personnel in the last three years immediately preceding the date of this Information Memorandum:

| Name | Designation | Date of Change | Reason |
|----------------------------|---------------------|-------------------|-----------------------------------|
| Harshadkumar Patel | Managing Director | February 01, 2018 | Appointment Managing Director |
| Jitendra Naranbhai Patel | Whole time Director | February 01, 2018 | Appointment as Wholetime director |
| Utkarsh Harshadkumar Patel | Whole time Director | February 01, 2018 | Appointment as Wholetime director |

| | | | |
|---------------------|-------------------------|-------------------|-------------|
| Himanshu S. Thakkar | Chief Financial Officer | February 15, 2018 | Appointment |
| Aanal Patel | Company Secretary | June 30, 2018 | Appointment |

OUR PROMOTERS AND PROMOTER GROUP

THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Harshad Kumar Patel
2. Mr. Jitendra Patel

The details of our Promoters are provided below:



HARSHADKUMAR PATEL

Harshadkumar Patel, aged 53 years, is the Promoter of our Company and is also the Chairman & Managing Director of the company. He has completed his Diploma in Mechanical Engineering from B & B Polytechnic, Vallabh Vidhya Nagar, Gujarat. He has an experience of around 31 years and has been associated with the Company since incorporation with overall responsibility for acquisition of materials, marketing, management, and finance functions. He is a guiding force behind the strategic decisions of our Company.

For details of Mr. Harshad Kumar Patel, please see the section titled “Our Management” beginning on page no. 55 of this Information Memorandum.

Date of Birth: October 15, 1968

PAN: AAMPP9276F

Aadhaar No.: 9507 9524 5813

Driver’s License No.: GJ01-2008-0148925

Address: 14, Upvan Villa, Gala Gymkhana Road, South Bopal, Ahmedabad – 380058 Gujarat, India



JITENDRA PATEL

Jitendra Patel, aged 50 years, is the Promoter and Whole time Director of our Company. He has completed First Year B.com from L.J. CC Collage, Gujarat University. He has an experience of around 30 years and has been associated with the Company since incorporation. He looks after finance, administration, marketing and operational activities in our company.

For details of Mr. Jitendra Patel, please see the section titled “Our Management” beginning on page no. 55 of this Information Memorandum.

Date of Birth: October 27, 1971

PAN: AAMPP9275G

Aadhaar No.: 2944 2254 6774

Driver’s License No.: GJ05 19920068341

Address: 14, Upvan Villa, Nr. Basant Bahar Umiya Temple, Bopal Ahmedabad

380058 Gujarat, India

For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 24 of this Information Memorandum.

Other Ventures of our Promoters

The ventures in which our Promoters are involved in are as follows:

a. Harshadkumar Patel

| Name of the Venture | Nature of Interest |
|-----------------------------------|--------------------|
| Numeron Fashions Private Limited* | Director |
| Express Chemical Corporation | Partner |
| A-1 Sureja Industries | Partner |

*Under process of Striking off.

b. Jitendra Patel

| Name of the Venture | Nature of Interest |
|---------------------------|--------------------|
| Avkar Chemical Industries | Proprietor |

Other Undertakings and Confirmations

We confirm that the Permanent Account Number and Bank Account number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Information Memorandum with the Stock Exchange.

Change in control of Our Company

Our Promoters are the original Promoters of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Information Memorandum.

Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them and /or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled "Capital Structure", "Our Management" beginning on page nos. 24 and 55 respectively and "Financial Statements" on page no. 79 of this Information Memorandum.

Except as stated otherwise in this Information Memorandum, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Common Pursuits of Promoters

As on the date of filing this information memorandum our company does not have any Group Company or Subsidiary Company.

Companies with which the Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Information Memorandum.

Payment of Amounts or Benefits to the Promoters or Promoters Group during the last two years

Except as stated in "Financial Information" on page no. 79, there has been no payment of benefits to our Promoters

or Promoters Group during the two years preceding the date of the Information Memorandum.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Related Party Transactions

Except as stated in "*Financial Statements*" on page no. 79, our Company has not entered into related party transactions with our Promoters, Promoter Group or our Group Companies.

Material Guarantees

Except as stated in the section titled "*Financial Statements*" beginning on page no. 79 of this Information Memorandum, our Promoters have not given any material guarantee to any third party with respect to the specified securities of our Company as on the date of this Information Memorandum.

Shareholding of the Promoters Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Information Memorandum, please see the chapter titled "*Capital Structure – Notes to Capital Structure*" beginning on page no 24 of this Information Memorandum.

Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoter nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the "*Financial Statements*" on page no. 79.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled "*Risk Factors*" and chapter titled "*Outstanding Litigation and Material Developments*" beginning on page nos. 7 and 81 of this Information Memorandum.

OUR PROMOTERS GROUP

Apart from our Promoters, as per Regulation 2(1)(pp) of the SEBI(ICDR)Regulation,2018, the following individuals and entities shall form part of our Promoters Group:

A. Individuals forming part of the Promoter Group:

| Name of the Promoter | Name of the member of Promoter Group | Relationship with the Promoter |
|-----------------------------|---|---------------------------------------|
| Harshadkumar Patel | Late Naranbhai L. Patel | Father |
| | Krishnaben N. Patel | Mother |
| | Ritaben Patel | Spouse |
| | Jitendra Patel | Brother |
| | Hansaben Patel | Sister |
| | Utkarsh Patel | Son |
| | Helly Patel | Daughter |
| | Babulal Patel | Spouse's Father |
| | Savitaben Patel | Spouse's Mother |
| | Kalpesh Patel | Spouse's Brother |
| | Divyesh Patel | Spouse's Brother |
| | Dipika Patel | Spouse's Sister |

| | | |
|-----------------------|-------------------------|------------------|
| Jitendra Patel | Late Naranbhai L. Patel | Father |
| | Krishnaben N. Patel | Mother |
| | Binduben Patel | Spouse |
| | Harshad Patel | Brother |
| | Hansaben Patel | Sister |
| | Anant Patel | Son |
| | Keta Patel | Daughter |
| | Govindbhai Prajapati | Spouse's Father |
| | Champaben Prajapati | Spouse's Mother |
| | Ghanshyambhai Prajapati | Spouse's Brother |
| | Rekha Prajapati | Spouse's Sister |

B. Entities forming part of the Promoter Group:

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

| Sr. No. | Name of the entity |
|---------|-----------------------------------|
| 1. | M/s. A-1 Sureja Industries |
| 2. | M/s. Studio De A1 |
| 3. | Avkar Chemical Industries |
| 4. | Express Chemical Corporation |
| 5. | Numeron Multicuisine Restaurant |
| 6. | Numeron Fashions Private Limited* |

**Under process of Striking Off*

OUR GROUP COMPANY

In terms of the SEBI Regulations our Group Company includes:

1. Those companies disclosed as related parties except subsidiary company in accordance with Accounting Standard (“AS18”) issued by the Institute of Chartered Accountants of India, in the Financial Statements of the Company for the last three financial years and
2. All companies forming part of the Related Party Transactions except subsidiary company, with whom our Company has entered into one or more transactions during any of the last three fiscals.

Further, companies which have been disclosed as related parties in the Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Company.

Based on the above; as on the date of this Information Memorandum; we do not have any Group Company.

We do have an Associate company A-1 Sureja Industries, in which we hold 45% stake.

OUR DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also give the discretion to our Board of Directors to declare and pay interim dividends.

Our Company has declared dividend in the financial year's which are mentioned below:

(Rs. in lakhs)

| Particulars | For the year ended March31, | | | | | |
|--|-----------------------------|------|------|------|------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Equity Share Capital | - | - | - | - | - | 10,00,000 |
| Face Value of Equity Shares(Rs. Per share) | - | - | - | - | - | 10/- |
| Interim Dividend (Rs. Per share) | - | - | - | - | - | - |
| Final Dividend (Rs. Per share) | - | - | - | - | - | 1.5/- |
| Total Dividend (Rs. Per share) | - | - | - | - | - | 1.5/- |

Our dividend payments and policy in the past is not necessarily indicative of our dividend policy or dividend amounts in the future.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

The Board of Directors recommended dividend of Rs. 1.50 per share of Rs. 10 fully paid up with subject to approval of shareholders in 18th AGM to be held on 8th July, 2022.

CORPORATE GOVERNANCE REPORT

(As on the date of this Information Memorandum)

In terms of SEBI (LODR) Regulations, 2015, the report containing details of corporate governance systems and processes at A-1 Acid Limited is as under:

1. Company's Philosophy on Corporate Governance

The Company's Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. The company is committed to achieve highest standards of corporate governance.

The Company has a well-defined structure for ensuring that business conduct is fair and ethical and has put in place mechanism for reporting illegal and unethical behaviour.

2. Board of Directors

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors as per SEBI (LODR) Regulations, 2015. The Board comprises of 8 Directors, out of which three (3) Executive Directors, one (1) Non Executive Non Independent Director and four (4) Non Executive Independent Directors. The Independent Directors take active part at the Board and Committee meetings, which adds value in the decision making process.

The details of composition of Board, category of directors as well as their Directorship/membership in other companies/committees are given below:

The Board comprises of the following:

| Sr. No. | Name of the Director | Designation | Executive / Non Executive/Promoter | Independent / Non Independent |
|---------|-------------------------|------------------------------|------------------------------------|-------------------------------|
| 1. | Mr. Harshadkumar Patel | Chairman & Managing Director | Executive and Promoter | Non Independent |
| 2. | Mr. Jitendra Patel | Whole time Director | Executive and Promoter | Non Independent |
| 3. | Mr. Utkarsh Patel | Whole time Director | Executive | Non Independent |
| 4. | Ms. Krishna Patel | Non-Executive Director | Non-Executive | Non Independent |
| 5. | Mr. Nitin Shah | Independent Director | Non-Executive | Independent |
| 6. | Ms. Lajju Shah | Independent Director | Non-Executive | Independent |
| 7. | Mr. Chirag Shah | Independent Director | Non-Executive | Independent |
| 8. | Mr. Suresh Somnath Dave | Independent Director | Non-Executive | Independent |

Board Meetings and Attendance of Directors

During the year 2021-22 and till the date of this IM, 32 board meetings were held on April 20,2021, May 31, 2021, June 09,2021, June 23,2021, July 09,2021 July 10,2021, July 16,2021, August 12,2021, August 20, 2021 September 17, 2021, September 27,2021, October 06, 2021, October 22, 2021, October 26, 2021, November 08,2021, November 13,2021, November 25, 2021, December 09, 2021, December 31, 2021, January 18,2022, January 27, 2022, February 23,2022, March 02,2022, March 11,2022 March 25, 2022, April 6,2022, April 27,2022, May 10, 2022, May 18, 2022, June 3, 2022. June 11, 2022, June 30,2022

| Sr. No. | Name of the Director | Designation | Board Meetings during the Period (i.e. from 01.04.2021 to the date of this IM) | Members of Committee (Audit Committee, Stakeholder Relationship committee and Nomination Remuneration) | Attendance in last AGM held on August 06, 2021 |
|---------|----------------------|-------------|--|--|--|
| | | | | | |

| | | | committee) | | | | |
|----|-------------------------|------------------------------|------------|----------|------|----------|-----|
| | | | Held | Attended | Held | Attended | |
| 1. | Mr. Harshadkumar Patel | Chairman & Managing Director | 32 | 32 | 0 | 0 | Yes |
| 2. | Mr. Jitendra Patel | Whole time Director | 32 | 32 | 0 | 0 | Yes |
| 3. | Mr. Utkarsh Patel | Whole time Director | 32 | 32 | 0 | 0 | Yes |
| 4. | Ms. Krishna Patel | Non-Executive Director | 32 | 32 | 14 | 14 | Yes |
| 5. | Mr. Nitin Shah | Independent Director | 32 | 17 | 0 | 0 | No |
| 6. | Ms. Lajju Shah | Independent Director | 32 | 16 | 19 | 19 | Yes |
| 7. | Mr. Chirag Shah | Independent Director | 32 | 15 | 19 | 19 | No |
| 8. | Mr. Suresh Somnath Dave | Independent Director | 11 | 4 | 0 | 0 | NA |

3. Postal Ballot:

The company has put the Resolution for Migration of Company to Main Board of BSE for passing through Postal Ballot, results of which were declared on March 08, 2022.

4. Audit Committee

The Audit Committee consists of the two independent Directors and one Non-Executive Director of the Company. The Audit Committee comprises of three members. The members are Mr. Mr. Chirag Rajnikant Shah (Chairman), Mrs. Lajju Hemang Shah (Member) & Mrs. Krishna Utkarsh Patel (Member). The Terms of reference of the Audit Committee are in accordance SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year 2021-22 till the date of IM, 12 Meetings of Audit Committee were held on following dates: April 20, 2021, May 31, 2021, June 09, 2021, July 09, 2021, October 22, 2021, November 08, 2021, November 13, 2021 and January 27, 2022, April 6, 2022, May 10, 2022, June 3, 2022, June 11, 2022.

The terms of reference of Audit Committee includes the following:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/

Information Memorandum /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h. Approval or any subsequent modification of transactions of the company with related;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n. Discussion with internal auditors any significant findings and follow up there on.
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r. To review the functioning of the Whistle Blower mechanism.
- s. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

5. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of three independent members. The members are Mr. Chirag Rajnikant Shah (Chairman), Mrs. Lajju Hemang Shah (Member) & Mrs. Krishna Utkarsh Patel (Member)

During the year 2021-22 till the date of IM, 2 meetings of Nomination & Remuneration Committee were held on following dates January 27, 2022, June 11, 2022.

The terms of reference of Nomination & Remuneration Committee includes the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Non-Executive Director's Remuneration:

The company has paid sitting fees to the Non-Executive Directors during the financial year ended on March 31, 2022 as mentioned below:

(Rs. In lakhs)

| Name | Remuneration | Commission | Sitting Fees | Total |
|-------------------|--------------|------------|--------------|-------|
| Ms. Krishna Patel | 0 | 0 | 0 | 0 |

| | | | | |
|-------------------------|---|---|------|------|
| Mr. Nitin Shah | 0 | 0 | 0.33 | 0.33 |
| Ms. Lajju Shah | 0 | 0 | 0.33 | 0.33 |
| Mr. Chirag Shah | 0 | 0 | 0.33 | 0.33 |
| Mr. Suresh Somnath Dave | 0 | 0 | 0 | 0 |

Executive Director's Remuneration

The details of remuneration paid to the executive director during the financial year ended on March 31, 2022 are as under:

(Rs. In lakhs)

| Name | Remuneration | Commission | Sitting Fees | Total |
|------------------------|--------------|------------|--------------|-------|
| Mr. Harshadkumar Patel | 66.12 | 0 | 0 | 66.12 |
| Mr. Jitendra Patel | 48.12 | 0 | 0 | 48.12 |
| Mr. Utkarsh Patel | 42.12 | 0 | 0 | 42.12 |

6. Stakeholders Relationship Committee

The Stakeholder Relationship Committee comprises of Mr. Chirag Rajnikant Shah (Chairman), Mrs. Lajju Hemang Shah (Member) & Mrs. Krishna Utkarsh Patel (Member)

During the year 2021-22 till the date of IM, 5 Meetings of Stakeholders Relationship Committee were held on following dates April 20, 2021, October 8, 2021, October 22, 2021, January 27, 2022 and June 03, 2022,

The terms of reference of Stakeholder Relationship Committee includes the following:

- Allotment and listing of our shares in future
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
- During the year, no complaint was received from shareholders.

7. Corporate Social Responsibility Committee

The CSR Committee comprises of Nitin Rikhavbhai Shah (Chairman), Mr. Harshadkumar Naranbhai Patel (Member) and Chirag Rajnikant Shah (Member).

During the year 2021-22 till the date of IM, No Meetings of Corporate Social Responsibility Committee were held

8. Details of Annual General Meetings for previous 3 years:

| AGM | FINANCIAL YEAR | DATE & TIME | VENUE | SPECIAL RESOLUTION PASSED |
|----------------------|----------------|--|----------------------------|--|
| 17 th AGM | 2020-21 | Friday, August 06, 2021 at 11.00 A.M. | Through Video Conferencing | Nil |
| 16 th AGM | 2019-20 | Friday, September 25, 2020 at 11:00 A.M. | Through Video Conferencing | 1. To confirm appointment of Mrs. Krishna Utkarsh Patel as Director and approve remuneration 2. To confirm appointment of Ms. Helly Harshadkumar Patel as Director and approve remuneration |

| | | | | |
|-------------------------|---------|--|---|-----|
| 15 th AGM | 2018-19 | Thursday, September 19, 2019 at 11:00 A.M. | Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club, S. G. Highway, Bodakdev, Ahmedabad - 380059 | Nil |
|-------------------------|---------|--|---|-----|

9. Disclosures

a. Related Party Transaction:

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given under Section “Financial Information” beginning on page no. 79 of this Information Memorandum.

b. Statutory Compliance, Penalties and Structures:

The Company has complied with the requirements of the Stock Exchanges / SEBI / Statutory Authorities to the extent applicable and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

c. Whistle Blower Policy:

Company has made a formal Whistle Blower Policy pursuant to provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which provides detailed procedure to protect the interest of employees of the company and that no personnel has been denied to access to the Audit Committee.

d. Proceeds from the Initial Public Offer of the Company:

The Details about the utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for the purposes other than those mentioned in the prospectus of the Company.

e. Reconciliation of Share Capital Audit:

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by practicing company secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

10. Means of Communication:

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with SEBI (LODR) Regulations, 2015 and also uploaded on the Company’s website – www.a1acid.com. The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts are posted on the Company’s website – www.a1acid.com.

11. General Shareholder Information:

| Sr. No. | Salient items of interest | Particulars |
|---------|---------------------------|--|
| i. | AGM Date | 18 th AGM to be held on 8th July, 2022 at 11:00 a.m. through VC |
| ii. | Financial year | The Financial Year of the Company is from April 1 to March 31 of the following year. |
| iii. | Date of Book closure | 02.07.2022 to 08.07.2022 |
| iv. | Dividend Payment Date | The Final Dividend, if approved at 18 th AGM, shall be paid/ credited with 30 days from the date of declaration |
| v. | Listing on stock Exchange | The Company’s equity shares are listed on SME Platform of BSE Limited. |

| | | |
|-------|--|--|
| vi. | Stock Code / Symbol | 542012 |
| vii. | Registrar & Share Transfer Agent | Cameo Corporate Services Limited Address: Subramanian Building 1 Club House Road, Chennai-600002 Tel: +91-44-28460390; Fax: +91-44-28460129; E-mail: cameo@cameoindia.com ; Website: www.cameoindia.com ; Contact Person: Kalpana Sridhar SEBI Registration No: INR 000003753 |
| viii. | Share Transfer System | In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved |
| ix. | Dematerialization of shares and liquidity | As on this date of this Information Memorandum 100% of the total issued, subscribed and paid-up equity share capital of the Company is in Dematerialized form. Currently, Equity Shares of the Company are regularly traded on SME platform of BSE Limited |
| x. | Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity | Nil |
| xi. | Address for correspondence | Corporate House No. A-1, Shivalik Business Centre, B/h. Rajpath Club Road, S. G. Highway, Bodakdev, Ahmedabad, Gujarat, India - 380059 |

Market Price Data

Market price data on SME Platform of Bombay Stock Exchange Limited (BSE SME) are given below:

| Period | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2021 | 111.00 | 97.00 |
| May 2021 | 113.10 | 103.05 |
| June 2021 | 128.00 | 107.00 |
| July 2021 | 165.00 | 113.10 |
| August 2021 | 202.40 | 147.00 |
| September 2021 | 205.00 | 180.00 |
| October 2021 | 203.05 | 164.00 |
| November 2021 | 191.00 | 133.55 |
| December 2021 | 195.90 | 169.00 |
| January 2022 | 228.00 | 182.00 |
| February 2022 | 228.00 | 205.75 |
| March 2022 | 260.90 | 205.55 |
| April 2022 | 267.00 | 254.00 |
| May 2022 | 283.70 | 246.00 |
| June 2022 | 296.75 | 271.00 |

REGISTERED OFFICE & CORRESPONDENCE ADDRESS:-

A-1 Acid Limited

Corporate House No. A-1, Shivalik Business Centre,
B/h. Rajpath Club Road, S. G. Highway, Bodakdev,
Ahmedabad, Gujarat, India - 380059

Tel: +91-79-40091111

E-mail: cs@alacid.com

Website: www.alacid.com

INVESTOR'S CORRESPONDENCE MAY BE ADDRESSED TO:

Ms. Aanal Patel

Corporate House No. A-1, Shivalik Business Centre,
B/h. Rajpath Club Road, S.G. Highway, Bodakdev,
Ahmedabad, Gujarat - 380059

Tel: +91-79-40091111

E-mail: cs@alacid.com

Website: www.alacid.com

OR

Cameo Corporate Services Limited

Address: Subramanian Building 1 Club House Road, Anasalai, Chennai-600002

Tel: +91-44-28460390;

Fax: +91-44-28460129;

E-mail: cameo@cameoindia.com ;

Website: www.cameoindia.com ;

Contact Person: Ms Kalpana Sridhar

SEBI Registration No: INR 000003753

Transaction with Non-Executive Director

The Non-Executive Directors of the company do not have any material pecuniary relationship or transaction vis-a-vis company.

Auditors' Detail

M/s. Riddhi P. Sheth & Co., Chartered Accountants,

9, Shyam Shivam Bungalows, Nr. Shikar Flats, 100 ft. Ring Road,
Satellite, Ahmedabad -380051

Tel: +91 79 2676 3020

Email: riddhisheth.123@gmail.com

Contact Person: Riddhi P. Sheth

Membership No.: 159123

Firm Registration No.: 140190W

SECTION V – FINANCIAL INFORMATION

| Sr. No. | Details | Page Number |
|---------|---------------------|-------------|
| 1. | Financial Statement | F-1 – F-91 |

INDEPENDENT AUDITOR'S REPORT

To The Members of A-1 Acid Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of A-1 Acid Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss including the statement of 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.

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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified (SAs) under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 the matters described below to be the key audit matters to be communicated in our report.

| Sr. | Key Audit Matter | Auditor's Response |
|-----|--|---|
| | <p>Recoverability assessment of trade receivables: The Company has a net trade receivables of INR 4630.95 Lacs after providing for bad and doubtful debts of INR 154.48 Lacs as at 31st March,2022.</p> <p>Trade receivables of the Company comprises mainly receivables in relation to the Company's (i) trading business regarding the sale of Acid and (ii) services rendered for Transportation.</p> <p>The increasing challenges over the economy and operating environment in the trading industry during the year have increased the risks of default on receivables from the Company's customers. In particular, in the event of insolvency of customers, the Company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements Of the agreements.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.</p> <p>Management would make provision based on the established model as well as specific provision against individual balances with reference to its recoverable amount.</p> <p>For the purpose of establishing provisioning model to make provision for bad and doubtful debts, significant judgments and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required to be made.</p> | <p>Our response to the risk:</p> <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> - Identification of loss events, including early warning and default warning indicators; - Assessment and approval of individual loss provisions; - Governance including model validation and the assessment of the suitability of models, appropriateness of assumptions, and approval of provisions; and Completeness and accuracy of data input into models and provision calculators. <p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> • Tested the accuracy of aging of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management as well as conducting market research on the industry; • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and • Tested subsequent settlement of trade receivables after the balance sheet date on a Sample basis if any, <p>For modeled provisions, we tested data inputs used for modeled provisions. We assessed the appropriateness of the models used.</p> <p>Were performed the provision calculations and compared our measurement outcome to that prepared by management and investigated any Differences arising.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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 communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:

In our opinion and according to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or any entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) Management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the company from any persons or any entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The company did not declare or paid dividend during the year hence question of compliance with section 123 of the Companies Act, 2013 does not arise.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, Riddhi P. Sheth & CO
Chartered Accountants
Firm Registration number: 140190W

Sd/-
(Riddhi P.Sheth)
Proprietor
Membership No. 159123
UDIN: 22159123AIROPN8531

Place: Ahmedabad.

Date: May 10,2022

Annexure A to the Independent Auditors' Report

[Annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on financial statements for the year ended March 31, 2022 to the members of A-1 Acid Limited]

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of A-1 Acid Limited ("the Company") as of March 31, 2022 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 (ICAI). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

In our opinion, 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, 2022, 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.

For, Riddhi P. Sheth & CO
Chartered Accountants
Firm Registration number: 140190W

Sd/-
(Riddhi P. Sheth)
Proprietor
Membership No. 159123

Place: Ahmedabad.

Date: May 10, 2022

Annexure B to the Independent Auditors' Report

[Annexure referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report on financial statements for the year ended March 31, 2022 to the members of A-1 Acid Limited]

Referred to in our report of even date

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(B) The company has maintained proper records showing full particulars of intangible asset.

(b) According Majority of the Property, Plant and Equipment have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The company does not have any immovable properties of freehold or leasehold land and building, and hence reporting under clause 3(i)(c) of the order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As explained to us, inventories have been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and the procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In the following cases quarterly returns filed by the company with banks are not in agreement with the books of accounts of the company.

| Quarter ending | INR in Lacs | | |
|--------------------|--------------------------------|--|------------|
| | Value as per books of accounts | Value as per quarterly statement filed with the bank | Difference |
| June 30, 2021 | 4086.19 | 4071.86 | 14.33 |
| September 30, 2021 | 4498.49 | 4510.97 | (12.48) |
| December 31, 2021 | 4978.42 | 5033.71 | (55.29) |

As explained by the management, the discrepancies are on account of statements filed with the banks on financial statement prepared on provisional basis.

- iii. The company has made investments in firm ad granted unsecured loans to other parties during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans are prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, no schedule of repayment of principal and payment of interest has been stipulated, hence question of regularity of repayment or receipts does not arise.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company has fallen due during the year and has been renewed or extended or fresh loans granted to settle the ovedues of existing loans given to the same parties.
- (f) The Company has granted loan to one party without specifying any terms or period of repayment. The aggregate amount is outstanding of Rs. 91953/-. Percentage to total loan is 100%. Company has not granted any loans to Promoters or related parties as defined in clause (76) of section 2 of the Companies act, 2013.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- v. In our opinion, and according to the information and explanation given to us the company has not accepted any deposits as per the directives issued by the reserve bank of India under the provision of section 73 to 76 or any other

relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (V) of the order is not applicable to the company.

- vi. According to the explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the products manufactured/ services rendered by the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, though there has been a slight delay in few cases, with the appropriate authorities.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in clause (a) above as at 31 March, 2022 which have not been deposited with the appropriate authorities on account of any dispute.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank of financial institution or government or any government authority.
- (c) The term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate firm.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate firm.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us no whistle-blower complaints, if any, received during the year by the Company.
- xii. According to the information and explanations given to us, the company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. Based on our examination of records of the Company and according to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standard.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- (b) According to the information and explanations provided to us during the course of audit, there is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- xvii. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) Based on our examination of records of the Company and according to the information and explanations given to us the provisions of Corporate Social Responsibility as per section 135 of the Companies Act, 2013 are not applicable to the Company for the year under audit. However, Company has spent Rs. 2.50 crore of unspent amount of the preceding year. Thus, there are no unspent amount towards Corporate Social Responsibility (CSR) on any projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clauses 3(xx)(a) and clause 3(xx)(b) of the Order are not applicable for the year.
- xxi. There are no Companies of which reports are included in the consolidated financial statements. Hence, reporting under clauses 3(xxi) of the Order is not applicable.

For, Riddhi P. Sheth & CO
Chartered Accountants
Firm Registration number: 140190W

Sd/-
(Riddhi P.Sheth)
Proprietor
Membership No. 159123

Place: Ahmedabad.

Date: May 10, 2022

A-1 ACID LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(INR in Lacs)

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3A | 1,672.43 | 1,386.09 |
| Capital Work-In- Progress | 3B | 9.20 | 9.20 |
| Goodwill | 3C | 31.00 | 31.00 |
| Financial Assets | | | |
| (i) Investments | 4 | 247.04 | - |
| (ii) Other Financial Assets | 5 | 446.26 | 239.80 |
| Other Non-Current Assets | 6 | 25.98 | 3.80 |
| Total Non-Current Assets (A) | | 2,431.91 | 1,669.89 |
| Current Assets | | | |
| Inventories | 7 | 233.69 | 189.88 |
| Financial Assets | | | |
| (i) Trade Receivables | 8 | 4,630.95 | 3,627.48 |
| (ii) Cash and Cash Equivalents | 9 | 9.64 | 46.99 |
| (iii) Loans | 10 | 0.92 | 71.64 |
| (iv) Other Financial Assets | 11 | 0.70 | 1.95 |
| Other Current Assets | 12 | 661.81 | 493.67 |
| Total Current Assets (B) | | 5,537.71 | 4,431.61 |
| Total Assets (A+B) | | 7,969.62 | 6,101.50 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 13 | 1,150.00 | 1,000.00 |
| Other Equity | 14 | 3,501.40 | 3,020.87 |
| Total Equity (A) | | 4,651.40 | 4,020.87 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 15 | 545.33 | 364.75 |
| Deferred Tax Liabilities (Net) | 16 | 45.16 | 56.12 |
| Total Non-Current Liabilities (B) | | 590.49 | 420.87 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 17 | 2,052.52 | 1,296.62 |
| (ii) Trade Payables | 18 | 303.89 | 138.52 |
| Other Current Liabilities | 19 | 357.01 | 209.04 |
| Current Tax Liabilities (Net) | 20 | 14.31 | 15.58 |
| Total Current Liabilities (C) | | 2,727.73 | 1,659.76 |
| Total Liabilities (A+B+C) | | 7,969.62 | 6,101.50 |

The notes on account form integral part of the financial Statement 1 to 39
As per our Report of even date attached

For, Riddhi P. Sheth & Co.

Chartered Accountants

Firm Registration No.: 140190W

Sd/-

Riddhi P. Sheth

Proprietor

Membership No.159123

Place : Ahmedabad

Date: May 10, 2022

For and on Behalf of Board

Sd/-

Harshadkumar Patel

Chairman & Managing Director

(DIN: 00302819)

Sd/-

Himanshu Thakkar

CFO

Place : Ahmedabad

Date: May 10, 2022

Sd/-

Jitendra Patel

Whole Time Director

(DIN: 00164229)

Sd/-

Aanal Patel

Company Secretary

A-1 ACID LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

| (INR in Lacs) | | | |
|--|---|---------------------------------|---------------------------------|
| Particulars | Notes | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| Revenue from Operations | 21 | 31,036.04 | 14,518.35 |
| Other Income | 22 | 400.81 | 385.06 |
| Total Income | | 31,436.85 | 14,903.41 |
| EXPENSES | | | |
| (i) Purchase of Stock-In-Trade | | 27,888.25 | 12,423.88 |
| (ii) Transport Expenses | | 1,584.30 | 1,240.88 |
| (iii) Changes in Inventory of Finished Goods | 23 | (43.81) | (80.09) |
| (iv) Employee Benefit Expenses | 24 | 256.03 | 237.36 |
| (v) Finance Costs | 25 | 120.66 | 72.07 |
| (vi) Depreciation and Amortization Expense | 3B | 334.66 | 280.86 |
| (vii) Other Expenses | 26 | 448.39 | 312.98 |
| Total Expense | | 30,588.48 | 14,487.94 |
| Profit Before Tax | | 848.37 | 415.47 |
| Tax Expense | | | |
| (i) Current Tax | 27 | 228.81 | 97.42 |
| (ii) Deferred Tax | 27 | (10.96) | 40.26 |
| (ii) Tax for earlier years | | - | 4.77 |
| Profit for the year | | 630.52 | 273.02 |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will not be reclassified to Profit and Loss | | - | - |
| (iii) Items that will be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will be reclassified to Profit and Loss | | - | - |
| Total Comprehensive Income for the year | | 630.52 | 273.02 |
| Earning Per Share : Basic & Diluted | 28 | 5.48 | 2.37 |
| The notes on account form integral part of the financial Statement 1 to 39 | | | |
| As per our Report of even date attached | | | |
| For, Riddhi P. Sheth & Co. | For and on Behalf of Board | | |
| Chartered Accountants | Sd/- | Sd/- | |
| Firm Registration No.: 140190W | Harshadkumar Patel | Jitendra Patel | |
| | Chairman & Managing Director | Whole Time Director | |
| | (DIN: 00302819) | (DIN: 00164229) | |
| Sd/- | Sd/- | Sd/- | |
| Riddhi P. Sheth | Himanshu Thakkar | Aanal Patel | |
| Proprietor | CFO | Company Secretary | |
| Membership No.159123 | | | |
| Place : Ahmedabad | Place : Ahmedabad | | |
| Date: May 10, 2022 | Date: May 10, 2022 | | |

STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31,2022

| | | (INR in Lacs) | |
|----------|--|---------------------------------|---------------------------------|
| | Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| A | Cash from Operating Activities | | |
| | Profit Before Tax | 848.37 | 415.07 |
| | Adjustments for: | | |
| | Depreciation | 334.66 | 281.16 |
| | Finance Cost | 115.20 | 60.95 |
| | Sundry Balance Written Off | (2.40) | 4.89 |
| | Provision for Expected Credit Loss | 56.00 | 11.32 |
| | Interest Income | (10.26) | (19.43) |
| | Loss on sale of Fixed Assets | 5.15 | (11.19) |
| | Operating Profit before Changes in Working Capital | 1,346.72 | 742.77 |
| | Movements in Working Capital | | |
| | Decrease/ (Increase) in Other Financial Non current Assets | (206.46) | 0.87 |
| | Decrease/ (Increase) in Inventories | (43.81) | (80.09) |
| | Decrease/ (Increase) in Trade Receivables | (1,057.06) | (1,170.23) |
| | Decrease/ (Increase) in Other Current Financial Assets | 1.24 | 26.50 |
| | Decrease/ (Increase) in Other Current Assets | (168.14) | 110.09 |
| | (Decrease)/ Increase in Trade Payables | 165.37 | 112.28 |
| | (Decrease)/ Increase in Other Current liability | <u>147.97</u> | <u>(111.69)</u> |
| | Cash Generated from Operations | 185.83 | (369.50) |
| | Income Tax (Paid)/Received | (206.02) | (23.15) |
| | Net Cash generated/(used in) from Operating Activities | (20.19) | (392.65) |
| B | Cash Flow from Investment Activities | | |
| | Purchase of Property, Plant & Equipment including Capital | | |
| | Advances and Capital Work in Progress | (743.88) | (597.23) |
| | Investment in an Associate | (247.04) | - |
| | Sale of Property, Plant & Equipment | 71.50 | 19.61 |
| | Interest Income | 10.26 | 19.43 |
| | Net Cash generated/(used in) from Investment Activities | (909.16) | (558.19) |
| C | Cash From Financing Activities | | |
| | Repayment of Non Current Borrowings | 180.58 | 17.66 |
| | Proceeds/(repayment) from Current Borrowings | 755.90 | 1,007.27 |
| | Repayment of Lease Liabilities | | (39.75) |
| | Loans given/recovered | 70.72 | 17.34 |
| | Interest Paid | (115.20) | (60.95) |
| | Net Cash generated/(used in) From Financing Activities | 892.00 | 941.57 |
| | Net Increase/Decrease in Cash & Cash Equivalents | (37.35) | (9.27) |
| | Cash & Cash Equivalents at the beginning of the year | 46.99 | 56.26 |
| | Cash & Cash Equivalents at the end of the year | 9.64 | 46.99 |

Note to Cash Flow Statement:

1

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow

2

The Group has total sanctioned limit (fund & non-fund based) of Rs.2300 lakhs (P.Y. 1400 lakhs) with banks, out of which 1677 lakhs (P.Y. 944 lakhs) has been utilised.

3

Cash And Cash Equivalents comprises of:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Cash On Hand | 5.26 | 33.70 |
| Balances with Banks-In Current Account | 4.38 | 13.29 |
| Cash and Cash Equivalents as per Note 9 | 9.64 | 46.99 |
| Cash and Cash Equivalents as per Cash Flow | 9.64 | 46.99 |

4 Disclosure as required by IND AS 7

Reconciliation of liabilities arising from financing activities

As at March 31, 2022 (INR in Lacs)

| Particulars | Opening Balance | Cashflows | Non Cash Changes | Closing Balance |
|---|-----------------|---------------|------------------|-----------------|
| Current Borrowings (including Current maturities of Long term Debt) | 1,296.62 | 755.90 | - | 2,052.52 |
| Non Current Borrowings | 364.75 | 180.58 | - | 545.33 |
| Total liabilities fom financing activities | 1,661.37 | 936.48 | - | 2,597.85 |

As at March 31, 2021

| Particulars | Opening Balance | Cashflows | Non Cash Changes | Closing Balance |
|---|-----------------|-----------------|------------------|-----------------|
| Current Borrowings (including Current maturities of Long term Debt) | 289.65 | 1,007.27 | - | 1,296.62 |
| Non Current Borrowings | 347.09 | 17.66 | - | 364.75 |
| Total liabilities fom financing activities | 636.74 | 1,024.93 | - | 1,661.37 |

The Notes on Account form Integral part of the Financial Statements 1 to 39

As per our report of even date attached

For, Riddhi P. Sheth & Co.
Chartered Accountants
Firm Registration No. : 140190W

Sd/-
Riddhi P.Sheth
Proprietor
Membership No. 159123

Place : Ahmedabad
Date: May 10, 2022

For and on Behalf of Board
Sd/-
Harshadkumar Patel
Chairman & Managing Director
(DIN: 00302819)

Sd/-
Himanshu Thakkar
CFO

Place : Ahmedabad
Date: May 10, 2022

Sd/-
Jitendra Patel
Whole Time Director
(DIN: 00164229)

Sd/-
Aanal Patel
Company Secretary

A-1 ACID LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31,2022

| | (INR in Lacs) |
|--|---------------|
| Equity Share Capital | Amount |
| Balance as at April 01,2020 | 1,000.00 |
| Changes in equity Share Capital due to prior period errors | - |
| Restated Balance as at April 01, 2020 | 1,000.00 |
| Changes During the year | - |
| Balance as at March 31,2021 | 1,000.00 |
| Changes in equity Share Capital due to prior period errors | - |
| Restated Balance as at April 01, 2021 | 1,000.00 |
| Changes During the year | 150.00 |
| Balance as at March 31,2022 | 1,150 |

The company has issued 3 equity bonus shares for every 20 equity shares during the year ended on March 31,2022.

| | (INR in Lacs) | | | |
|---|-----------------|--------------------|-------------------|-----------------|
| Other Equity | General Reserve | Securities Premium | Retained Earnings | Total |
| Balance as at April 01,2020 | 32.61 | 1,370.78 | 1,344.47 | 2,748.44 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance as at April 01, 2020 | 32.61 | 1,370.78 | 1,344.47 | 2,748.44 |
| Total Comprehensive Income for the year | | | 273.02 | 273.02 |
| Balance as at March 31,2021 | 32.61 | 1,370.78 | 1,617.49 | 3,020.87 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Issue of Bonus Shares | - | - | (150.00) | (150.00) |
| Total Comprehensive Income for the year | - | - | 630.52 | 630.52 |
| Balance as at March 31,2022 | 32.61 | 1,370.78 | 2,098.01 | 3,501.40 |

The notes on account form integral part of the financial Statement 1 to 39

As per our Report of even date attached

For, Riddhi P. Sheth & Co.

Chartered Accountants

Firm Registration No.: 140190W

Sd/-

Riddhi P.Sheth

Proprietor

Membership No.159123

For and on Behalf of Board

Sd/-

Harshadkumar Patel

Chairman & Managing

Director

(DIN: 00302819)

Sd/-

Himanshu Thakkar

CFO

Sd/-

Jitendra Patel

Whole Time Director

(DIN: 00164229)

Sd/-

Aanal Patel

Company Secretary

Place : Ahmedabad

Date: May 10, 2022

Place : Ahmedabad

Date: May 10, 2022

| 13 Equity Share Capital | (INR in Lacs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Authorised Capital 20000000 (previous year 12000000) Equity Shares of Rs. 10 Each | 2,000.00 | 1,200.00 |
| Issued, Subscribed and Paid-up 11500000 (Previous year 10000000) Equity Shares of Rs. 10 Each fully Paid-up | 1,150.00 | 1,000.00 |
| Total | 1,150.00 | 1,000.00 |

a(i) The company has only one class of shares referred to as Equity shares having face value of Rs. 10/- . Each Holder of equity share is entitled to one vote per share and rank equally with regard to dividends .

(ii) 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, after distribution of all referential amounts. However, no such preferential amounts exist currently.

(iii) The distribution will be in proportion to the number of equity shares held by the shareholders

(iv) No Shares has been reserved for issue under options or contracts/commitments for the shares/disinvestment

(v) The company has issued 3 equity bonus shares for every 20 equity shares during the year ended on March 31,2022.

(vi) **In the five years immediately preceeding March 31, 2022**

60,00,000 Equity Shares of Rs. 10 each fully paid up, were issued as bonus shares during the month of December 2017, by utilisation of Rs.6 00,00,000 from surplus, pursuant to a bonus issue approved by shareholders.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and any other corporate action, after allotment.

| b. Reconciliation of the number of shares outstanding and the amount of share capital is set out below: | (INR in Lacs) | |
|---|---------------|----------|
| | No of Shares | Amount |
| Particulars | | |
| Share Capital as at April 01,2020 | 10,000,000 | 1,000.00 |
| Addition in Share Capital | - | - |
| Share Capital as at March 31,2021 | 10,000,000 | 1,000.00 |
| Addition in Share Capital on issue of Bonus | 1,500,000 | 150.00 |
| Share Capital as at March 31,2022 | 11,500,000 | 1,150.00 |

c. Details of Shareholders holding more than 5% shares in the Company

| Particulars | (INR in Lacs) | |
|------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Harshadbhai N Patel- % | 27.30% | 27.30% |
| No of Shares | 3,139,501 | 2,730,000 |
| Jitendrabhai N Patel-% | 27.30% | 27.30% |
| No of Shares | 3,139,500 | 2,730,000 |
| Krishnaben Naranbhai Patel-% | 7.70% | 7.70% |
| No of Shares | 885,040 | 769,600.0 |
| Utkarsh H Patel | 7.70% | 7.70% |
| No of Shares | 885,500 | 770,000.0 |

d. Shared held by the Promoters at the end of the year

| Name of the Promoter | As at March 31,2022 | | As at March 31,2021 | | |
|----------------------------|---------------------|----------------------|---------------------|----------------------|----------|
| | No of Shares | % of Total Shares | No of Shares | % of Total Shares | % change |
| Harshadbhai N Patel | 3,139,501 | 27.30% | 2,730,000 | 27.30% | - |
| Jitendrabhai N Patel | 3,139,500 | 27.30% | 2,730,000 | 27.30% | - |
| Krishnaben Naranbhai Patel | 885,040 | 7.70% | 769,600 | 7.70% | - |
| Utkarsh H Patel | 885,500 | 7.70% | 770,000 | 7.70% | - |

No of shares held by Promoters as on March 31,22 has increased due to issue of Bonus shares. However the ratio of holding has not changed due to issue of pro-rata shares.

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(INR in Lacs)

| 14 Other Equity | General Reserve | Securities Premium | Retained Earnings | Total |
|---|-----------------|--------------------|-------------------|-----------------|
| Balance as at April 01,2020 | 32.61 | 1,370.78 | 1,344.47 | 2,748.44 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance as at April 01, 2020 | | | | |
| Total Comprehensive Income for the year | - | - | 273.02 | 273.02 |
| Balance as at March 31,2021 | 32.61 | 1,370.78 | 1,617.49 | 3,020.87 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance as at April 01, 2021 | 32.61 | 1,370.78 | 1,617.49 | 3,020.87 |
| Issue of Bonus Shares | - | - | (150.00) | (150.00) |
| Total Comprehensive Income for the year | - | - | 630.52 | 630.52 |
| Balance as at March 31,2022 | 32.61 | 1,370.78 | 2,098.01 | 3,501.40 |

- a. On 5th October 2018, the Company has allotted 30,00,000 Equity Shares of face value Rs. 10/- each fully paid -up at issue price of Rs.60/- per share including a premium of Rs.50/- per share aggregating to Rs.1,500 lacs of Securities Premium balance, through the initial public offer. Against this balance of Premium amount Rs. 129.22 lacs was adjusted as IPO expense leaving balance of Rs. 1370.78 lacs
- b. General Reserve is created by transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.
- c. The company has issued 3 equity bonus shares for every 20 equity shares during the year ended on March 31,2022.

| 15 Borrowings (Non-Current) | (INR in Lacs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Secured (At amortised cost) | | |
| Term Loans from Banks | 921.05 | 609.08 |
| Sub Total | 921.05 | 609.08 |
| Less: Current Maturities of long term Debt (Refer Note-17) | 375.72 | 244.33 |
| Total | 545.33 | 364.75 |

Security

Term Loans are secured against hypothecation of vehicles

Interest

Interest Rates on term loans range between 8.5% to 10.5%

Repayment

Term loans are repayable in monthly installments. The installments payable within 12 months are reported as current maturity of long term debts in Note 17

| 16 Deferred Tax Liabilities (Net) | (INR in Lacs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Deferred Tax Liabilities | | |
| Property, Plant and Equipment | 84.01 | 87.10 |
| Deferred Tax Assets | | |
| Non deductible expenses for tax purpose | 38.85 | 30.98 |
| Net Deferred Tax Liabilities | 45.16 | 56.12 |

| Movements in Deferred Tax Liabilities | Difference of Depreciation as per Income Tax and Company Law |
|---|--|
| As at March 31,2020 | 15.86 |
| Charge/(credit) to Profit & Loss | 40.26 |
| Charge/(credit) to Other Comprehensive Income | |
| As at March 31,2021 | 56.12 |
| Charge/(credit) to Profit & Loss Account | (10.96) |
| Charge/(credit) to Other Comprehensive Income | |
| As at March 31,2022 | 45.16 |

| (INR in Lacs) | | |
|---|-------------------------|-------------------------|
| 17 Borrowings (Current) | As at March 31, 2022 | As at March 31, 2021 |
| Secured (At amortised cost) | | |
| Working Capital Loans | | |
| From Banks* | 1,676.80 | 944.04 |
| Loans from Financial Institutions (Secured) | - | 108.25 |
| Current Maturities of Long Term Debt | 375.72 | 244.33 |
| Total | 2,052.52 | 1,296.62 |

*Secured by Hypothecation of Book Debt and Stock and all movable Fixed Assets.

For the channel financing facility sanctioned to the tune of INR 500 lacs, by IndusInd Bank, Irrevocable personal guarantees has been given by Promoters Harshad Patel, Jitendra Patel and Utkarsh Patel.

Details of current Asset statements filed with Banks/FI for FY 2021-22

| Particulars of Security | Name of bank | Quarter | Amount as per books | Amounts reported to Bank | Difference |
|-------------------------|---------------|---------|---------------------|--------------------------|------------|
| Finished Goods | | Q1 | 96.02 | 95.46 | 0.56 |
| Debtors | Deutsche/ | | 3,867.99 | 3,868.02 | (0.03) |
| Creditors | IndusInd Bank | | 122.18 | 108.38 | 13.80 |
| Finished Goods | | Q2 | 111.74 | 111.74 | - |
| Debtors | Deutsche/ | | 4,215.82 | 4,219.83 | (4.01) |
| Creditors | IndusInd Bank | | 170.93 | 179.40 | (8.47) |
| Finished Goods | | Q3 | 201.62 | 201.62 | - |
| Debtors | Deutsche/ | | 4,539.57 | 4,551.78 | (12.21) |
| Creditors | IndusInd Bank | | 237.23 | 280.31 | (43.08) |
| Finished Goods | | Q4 | 233.69 | 233.69 | - |
| Debtors | Deutsche/ | | 4,463.62 | 4,463.62 | - |
| Creditors | IndusInd Bank | | 303.89 | 303.89 | - |

Reason For Difference: The amounts provided to the bank are based on unaudited books of accounts, where as amounts reported above as per books are on the basis of audited books of accounts after providing provisions, debit and credit notes.

Details of current Asset statements filed with Banks/FI for FY 2020-21

| Particulars of Security | Name of bank | Quarter | Amount as per books | Amounts reported to Bank | Difference |
|-------------------------|--------------|---------|---------------------|--------------------------|------------|
| Finished Goods | | Q1 | 73.45 | 66.52 | 6.93 |
| Debtors | Deutsche | | 2,663.41 | 2,675.65 | (12.23) |
| Creditors | Bank | | 47.52 | 47.52 | - |
| Finished Goods | | Q2 | 101.04 | 96.21 | 4.83 |
| Debtors | Deutsche | | 2,849.75 | 2,849.80 | (0.05) |
| Creditors | Bank | | 92.28 | 92.28 | - |
| Finished Goods | | Q3 | 170.23 | 159.89 | 10.34 |
| Debtors | Deutsche | | 3,383.20 | 3,383.22 | (0.02) |
| Creditors | Bank | | 175.71 | 175.71 | - |
| Finished Goods | | Q4 | 189.88 | 189.88 | - |
| Debtors | Deutsche | | 3,750.44 | 3,753.78 | (3.34) |
| Creditors | Bank | | 70.28 | 70.28 | - |

Reason For Difference: The amounts provided to the bank are based on unaudited books of accounts, where as amounts reported above as per books are on the basis of audited books of accounts after providing provisions, debit and credit notes.

| (INR in Lacs) | | |
|--|-------------------------|-------------------------|
| 18 Trade Payables | As at March 31, 2022 | As at March 31, 2021 |
| Total outstanding dues of | | |
| -Micro, Small and Medium Enterprise | - | - |
| -Other than Micro, Small and Medium Enterprise | 303.89 | 138.52 |
| -Related Parties | - | - |

| | | |
|--------------|---------------|---------------|
| Total | 303.89 | 138.52 |
|--------------|---------------|---------------|

Trade Payable Ageing as at March 31, 2022 (INR in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|-----------------------|--|------------------|-----------|-----------|-------------------|---------------|
| | Not Due for payment | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | - | - | - | - | - |
| Others | 281.50 | 12.51 | - | - | 9.88 | 303.89 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - | - |

Trade Payable Ageing as at March 31, 2021 (INR in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|-----------------------|--|------------------|-----------|-----------|-------------------|---------------|
| | Not Due for payment | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | - | - | - | - | - |
| Others | 124.68 | 0.78 | 3.18 | - | 9.88 | 138.52 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - | - |

19 Other Current Liabilities (INR in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
|--|----------------------|----------------------|

| | | |
|---|---------------|---------------|
| Statutory Dues | 15.66 | 9.96 |
| Advance from Customers | 321.82 | 60.04 |
| Provision for expenses & Discount obligations | 19.53 | 139.04 |
| Total | 357.01 | 209.04 |

20 Current Tax Liabilities (INR in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
|--|----------------------|----------------------|

| | | |
|--------------------------|--------------|-----------|
| Provision for Income Tax | 228.81 | 97.42 |
| Less: Advance Income Tax | 214.50 | 81.84 |
| Total | 14.31 | 5. |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

1 CORPORATE INFORMATION

A-1 Acid Limited is a Limited company domiciled in India and incorporated under the Provisions of Companies Act, 1956. The company is engaged in the wholesale trading of Acid & Chemicals and also in transportation business. The Company was listed with BSE Limited on SME platform from October 10, 2018.

2 SIGNIFICANT ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Basis of Preparation

a) Statement of Compliance

The Financial Statements have been prepared with all material aspect with Indian Accounting Standards (Ind As) notified under section 133 of the Companies Act, 2013 (the act) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b) Basis of Preparation

The financial statements have been prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except where the fair valuation have been carried out in accordance with the requirements of respective IND AS.

The Operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1- 'Presentation of Financial Statements' and Schedule III to the Companies Act,2013.

2.2 Use of Estimates

The preparation and presentation of financial statements are in conformity with the Ind As which required management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

2.3 Key Accounting Estimates and Judgement used in application of Accounting Policies

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions.

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 3A)

c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without undue cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period.

d. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 30 and 31)

2.4 Property, Plant and Equipment & Depreciation

Property, plant and equipment are stated at historical cost (net of recoverable taxes) less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised 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, if accounted for as a separate asset, is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The gain or loss arising on the disposal or retirement of an property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year of disposal.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capital Work-in-Progress

Capital work in progress is stated at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and net of accumulated impairment losses, if any.

Depreciation methods, estimated useful life and residual value:

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on assets has been provided on the Straight Line method based on the useful lives prescribed in Schedule II to the Companies Act. In respect of addition and sales of assets during the year, depreciation is provided on pro rata basis. The Company has kept the residual value @5% of original cost.

The Estimated Useful Lives are mentioned below:

Furniture & Fixtures-10 years
Office Equipments-5 to 15 years
Tankers - 6 years
Storage Tanks- 15 years
Computers- 3 years
Vehicles- 8 years

2.5 Intangible Assets and Amortisation :

Goodwill was recognised on succession of promoter's proprietary business by A-1 Acid Private Limited in 2004. It is tested for impairment at end of each reporting period and not amortised.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment including intangible assets, recognised as at 1 April 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.6 Impairment of non - financial assets

The Company reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii) In case of cash generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

2.7 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.

A Financial Assets

i. Initial recognition and measurement:

At initial recognition, the Company measures a financial asset (which are not measured at fair value) through profit or loss at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

ii. Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

- i) Financial assets measured at amortised cost;
- ii) Financial assets at fair value through profit or loss (FVTPL) and
- iii) Financial assets at fair value through other comprehensive income (FVOCI)

The Company classifies its financial assets in the above mentioned categories based on:

- a) The Company's business model for managing the financial assets, and
- b) The contractual cash flows characteristics of the financial asset.

i) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

b) Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

iii) Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by collecting both contractual cash flows that gives rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The Company may elect to designate a financial asset, which otherwise meets amortised cost or FVOCI 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').

Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents etc. are classified for measurement at amortised cost.

iii. Derecognition:

The Company derecognizes a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the assets's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Profit and Loss.

iv. Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Company follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

B Financial Liabilities

i. Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii. Subsequent measurement:

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

- i) Financial liabilities measured at amortised cost.
- ii) Financial liabilities at fair value through profit or loss.

i) Financial liabilities measured at amortised cost

Subsequently, all financial liabilities are measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

iii. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. 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 derecognition 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.

2.8 Off-setting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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 realize the assets and settle the liabilities simultaneously.

2.9 Fair value measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

2.10 Inventories

Inventories are valued at the lower of cost (on FIFO) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges.

2.11 Borrowing Cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets.

2.12 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.13 Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Revenue Recognition

Sales are accounted on transfer of significant risks and rewards of ownership to the buyer which generally coincides with dispatch of products to customers. are accounted net of VAT/GST, Discounts and Returns as applicable.

2.15 Dividend

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.16 Employee Benefit

Defined Contribution Plan

The Company is not liable for ESIC or Provident Fund contribution as the employee base is less than that prescribed under Employees' Provident Fund and Miscellaneous Provisions Act, for mandatory applicability.

Defined Benefit Plan

The Company is not liable for Gratuity contribution as the employee base is less than that prescribed under The Gratuity Act, 1972, for mandatory applicability.

2.17 Earnings per Share

Basic earnings per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares issued during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

2.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

2.19 Taxes on Income

a) Current Tax

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

a) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.20 Segment Reporting

Operating Segments are reported in a manner consistent with the Internal Reporting provided to the Chief Operating Decision Maker (CODM), Harshadkumar Patel (CMD), of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

Further, Company is engaged in business in only Indian Markets, hence no separate geographical segment reportable.

2.21 Lease

Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

Tankers on Finance lease has been disclosed as Right to Use assets at Present Value of future lease payments in accordance with IND AS 116. Under IGAAP, these tankers were disclosed at total value inclusive of Terminal Value to be paid at end of lease term for purchasing asset. As management is not certain for opting the purchase option at end of lease period, under IND AS 116, the RTU asset has been recognised as mentioned, exclusive of Present Value of terminal Value.

A-1 ACID LIMITED

| Note: 3A Property, Plant and Equipment | | | | | | | (INR in Lacs) |
|--|---------------------------------|------------------------------|-----------------|----------------------|------------------|-----------------|----------------------|
| Particulars | Furniture & Fixtures | Plant & Machinery | Tankers | Storage Tanks | Computers | Vehicles | Total |
| Gross Carrying Value as on 01-04-2020 | 11.93 | 130.13 | 841.37 | 66.66 | 3.36 | 171.24 | 1,224.69 |
| Addition during the period | 0.39 | 2.12 | 592.31 | 51.42 | 1.82 | 23.18 | 671.24 |
| Acquisitions through Business Combinations | - | - | - | - | - | - | - |
| Changes due to Revaluation | - | - | - | - | - | - | - |
| Deduction during the period* | - | 1.55 | 53.78 | 0.62 | - | 7.79 | 63.74 |
| Gross Carrying Value as on 31-03-2021 | 12.32 | 130.70 | 1,379.90 | 117.46 | 5.18 | 186.63 | 1,832.19 |
| Addition during the period | - | 33.03 | 557.86 | 9.19 | 1.90 | 104.87 | 706.85 |
| Acquisitions through Business Combinations | - | - | - | - | - | - | - |
| Changes due to Revaluation | - | - | - | - | - | - | - |
| Deduction during the period** | - | 1.70 | 92.46 | - | - | - | 94.16 |
| Gross Carrying Value as on 31-03-2022 | 12.32 | 162.03 | 1,845.30 | 126.65 | 7.08 | 291.50 | 2,444.88 |
| Accumulated Depreciation as on 01-04-2020 | 1.38 | 10.98 | 174.37 | - | 1.02 | 28.71 | 216.46 |
| Addition during the period | 1.11 | 12.98 | 163.53 | 25.98 | 1.33 | 29.26 | 234.19 |
| Deduction during the period | - | 0.48 | 0.37 | - | - | 3.70 | 4.55 |
| Accumulated Depreciation as on 31-03-2021 | 2.49 | 23.48 | 337.53 | 25.98 | 2.35 | 54.27 | 446.10 |
| Addition during the period | 1.11 | 14.41 | 263.47 | 26.58 | 1.79 | 30.21 | 337.57 |
| Deduction during the period | - | 1.04 | 10.18 | - | - | - | 11.22 |
| Accumulated Depreciation as on 31-03-2022 | 3.60 | 36.85 | 590.82 | 52.56 | 4.14 | 84.48 | 772.45 |
| Net Carrying Value as at 31-03-2021 | 9.83 | 107.22 | 1,042.37 | 91.48 | 2.83 | 132.36 | 1,386.09 |
| Net Carrying Value as at 31-03-2022 | 8.72 | 125.18 | 1,254.48 | 74.09 | 2.94 | 207.02 | 1,672.43 |

* Retirement in tankers of Rs. 9.18 lacs includes transfer of storage tanks at WDV of Rs. 6.28 lacs. The same is disclosed as addition to Storage tanks.

** Retirement in tankers of Rs. 53.78 lacs includes transfer of storage tanks at WDV of Rs. 51.42 lacs. The same is disclosed as addition to Storage tanks.

Out of total nineteen vehicles, three two- wheelers and six cars are registered in the name of the Directors

A-1 ACID LIMITED

| Note: 3B Capital Work in Progress | INR in lacs |
|--|--------------------|
| Balance as at 01-04-2020 | 30.53 |
| Addition during the period | 59.63 |
| Capitalisation during the period | 80.95 |
| Balance as at 31-03-2021 | 9.20 |
| Addition during the period | - |
| Capitalisation during the period | - |
| Balance as at 31-03-2022 | 9.20 |

Balance of Capital Work in Progress represents heavy vehicles under fabrication.

CWIP Ageing Schedule

| Particulars | Amount in CWIP for Period of | | | | Total |
|--|-------------------------------------|------------------|------------------|--------------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Vehicles Under Fabrication ason 31 March, 2022 | - | 9.20 | - | - | 9.20 |
| Vehicles Under Fabrication ason 31 March, 2021 | 9.20 | | | | 9.20 |

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Note: 3C Intangibles (Goodwill)

Goodwill was recognised on succession of promoter's proprietary business by A-1 Acid Private Limited in 2004. It is tested for impairment at end of each reporting period and not amortised.

| Goodwill | INR in lacs |
|---------------------------------|--------------------|
| Balance as at 01-04-2020 | 31.00 |
| Impariment during the year | - |
| Balance as at 31-03-2021 | 31.00 |
| Impariment during the year | - |
| Balance as at 31-03-2022 | 31.00 |

| (INR in Lacs) | | |
|--|-------------------------|-------------------------|
| 4 Investments | As at March 31, 2022 | As at March 31, 2021 |
| Investment in partnership Firm | | |
| A-1 Sureja Industries | 247.04 | - |
| For share of profit of A-1 Acid Limited and other partners (Refer note 4.c) | | |
| Total | 247.04 | - |

- With effect from August 21, 2021, the company has entered as 45% partner in A1 Sureja Industries (partnership firm). The firm is
- a mainly engaged in manufacturing of electric two wheelers and agricultural pumps.
The amount invested in the firm has been disclosed as non current investment after adjusting its share of profit/(loss) in the firm
- b for post acquisition period, as per IND AS 28 Investments in Joint Ventures and Associates.

c Details of Profit and Loss sharing ratio of the Firm after stake acquisition is as disclosed below:

| Name of the Partners | As at March 31, 2022 | As at March 31, 2021 | | |
|----------------------|------------------------|-------------------------------------|---------------------------------|-------------------|
| | Capital in the firm | Share of Capital in the partners | Share of Capital in the firm | Share of partners |
| A-1 Acid Ltd | 247.04 | 45% | - | - |
| Bharatbhai Patel | 5.29 | 1% | - | - |
| Hansa Patel | 21.21 | 4% | - | - |
| Harshad Patel | 151.76 | 50% | 182.39 | 50% |
| Divyesh Sureja | - | - | (20.30) | 10.00% |
| Gopal Sureja | - | - | 11.62 | 7.50% |
| Jayshree Sureja | - | - | (1.31) | 7.50% |
| Nirmala Sureja | - | - | (17.15) | 7.50% |
| Ramnik Sureja | - | - | (1.45) | 7.50% |
| Tushar Sureja | - | - | (22.14) | 10.00% |
| Total | 425.30 | 100% | 131.66 | 100% |

| (INR in Lacs) | | |
|---|-------------------------|-------------------------|
| 5 Other Financial Assets (Non-Current) | As at March 31, 2022 | As at March 31, 2021 |
| Unsecured, Considered Good | | |
| Security Deposits | 244.26 | 238.80 |
| Bank Deposits having maturity of more than 12 months* | 202.00 | 1.00 |
| Total | 446.26 | 239.80 |

*Fixed Deposit of Rs. 1 lac pledged as security deposit with Supritendent of Prohibition Department

| (INR in Lacs) | | |
|--------------------------------|-------------------------|-------------------------|
| 6 Other Non-Current Assets | As at March 31, 2022 | As at March 31, 2021 |
| Capital Advance for Vehicles | 21.51 | - |
| Advance Payment of Income Tax | 98.55 | 107.04 |
| Less: Provision for Income Tax | 94.08 | 103.24 |
| Advance Tax (Net of Provision) | 4.47 | 3.80 |
| Total | 25.98 | 3.80 |

| (INR in Lacs) | | |
|----------------|-------------------------|-------------------------|
| 7 Inventories | As at March 31, 2022 | As at March 31, 2021 |
| Finished Goods | 233.69 | 189.88 |
| Total | 233.69 | 189.88 |

| (INR in Lacs) | | |
|--|-------------------------|-------------------------|
| 8 Trade Receivables (Unsecured) | As at March 31, 2022 | As at March 31, 2021 |
| Considered Good (Others) | 4,630.95 | 3,627.48 |
| Which have significant increase in Credit Risk | 154.48 | 122.96 |

| | | |
|--|-----------------|-----------------|
| Sub Total | 4,785.43 | 3,750.44 |
| Less: Allowance for Expected Credit Loss | (154.48) | (122.96) |
| Total | 4,630.95 | 3,627.48 |

Trade Receivable Ageing as at March 31, 2022 (INR in Lacs)

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade Receivables Considered Good | | | | | | |
| -Undisputed Dues | 4,147.93 | 143.90 | 130.27 | 80.96 | 127.89 | 4,630.95 |
| -Disputed Dues | - | - | - | - | - | - |
| Trade Receivables Considered Doubtful | | | | | | |
| -Undisputed Dues | - | - | - | - | 154.48 | 154.48 |
| -Disputed Dues | - | - | - | - | - | - |
| Total | 4,147.93 | 143.90 | 130.27 | 80.96 | 282.37 | 4,785.43 |

Trade Receivable Ageing as at March 31, 2021 (INR in Lacs)

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade Receivables Considered Good | | | | | | |
| -Undisputed Dues | 3,158.35 | 131.78 | 129.92 | 19.99 | 187.44 | 3,627.48 |
| -Disputed Dues | - | - | - | - | - | - |
| Trade Receivables Considered Doubtful | | | | | | |
| -Undisputed Dues | - | - | - | - | 122.96 | 122.96 |
| -Disputed Dues | - | - | - | - | - | - |
| Total | 3,158.35 | 131.78 | 129.92 | 19.99 | 310.40 | 3,750.44 |

| | | | (INR in Lacs) | |
|---|---|--|----------------------|----------------------|
| 9 | Cash and Cash Equivalents | | As at March 31, 2022 | As at March 31, 2021 |
| | | | | |
| | Balances with Banks-In Current Account | | 4.38 | 13.29 |
| | -In Deposit Accounts with maturity of more than 12 months | | 202.00 | 1.00 |
| | Cash On Hand | | 5.26 | 33.70 |
| | Sub Total | | 211.64 | 47.99 |
| | Less: Bank Deposits having maturity of more than 12 months (Refer Note-4) | | 202.00 | 1.00 |
| | Total | | 9.64 | 46.99 |

| (INR in Lacs) | | |
|---|---------------------------------|---------------------------------|
| 10 Loans (Current) | As at March 31, 2022 | As at March 31, 2021 |
| Loans Considered Good- unsecured -Loan to Body Corporate | 0.92 | 71.64 |
| Total | 0.92 | 71.64 |

| (INR in Lacs) | | |
|--|---------------------------------|---------------------------------|
| 11 Other Financial Assets (Current) | As at March 31, 2022 | As at March 31, 2021 |
| Advance to Contracted Labour | 0.61 | 0.36 |
| Interest Receivable on Deposits | 0.09 | 1.59 |
| Total | 0.70 | 1.95 |

No loans and advances are granted to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person.

| (INR in Lacs) | | |
|------------------------------------|---------------------------------|---------------------------------|
| 12 Other Current Assets | As at March 31, 2022 | As at March 31, 2021 |
| Prepaid Expenses | 26.86 | 23.44 |
| Balance with Statutory Authorities | 104.07 | 60.40 |
| Contractual Discount receivable | 286.37 | 267.32 |
| Advance to Suppliers | 236.01 | 142.51 |
| Insurance Claim Receivable | 8.50 | - |
| Total | 661.81 | 493.67 |

| | | (INR in Lacs) | |
|----|-------------------------|---------------------------------|---------------------------------|
| 21 | Revenue From Operations | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| | Sale of Goods* | 29,911.64 | 13,982.92 |
| | Sale of Service | 1,124.40 | 535.43 |
| | Total | 31,036.04 | 14,518.35 |

* Sale of Goods is net of Discounts given and Rates difference (Rs. 716.88 lacs and Rs. 3.38 lacs respectively for year ended on 31.3.2022 & Rs. 529.04 lacs and Rs 3.94 lacs respectively for year ended on 31.3.2021)

| | | (INR in Lacs) |
|---|------------------------------|------------------------------|
| Sale of Goods (exclusive of Discount and Rate Difference) Comprise of | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| Acetic Acid | 2,145.84 | 309.70 |
| Hydrochloric Acid | 147.64 | 480.06 |
| T.G.Urea | 6,632.11 | 2,465.59 |
| Concentrated Nitric Acid | 5,149.86 | 2,134.19 |
| Nitric Acid | 1,040.99 | 1,185.26 |
| Ethly Acetate | 2,103.65 | 820.63 |
| Sulphuric Acid | 798.59 | 1,354.25 |
| WNA 61% & 61.5% | 8,629.43 | 3,811.20 |
| WNA 68% | 321.51 | 234.61 |
| WNA 72% | 833.71 | 510.68 |
| WNA 18% to 40% | 1,404.84 | 122.26 |
| Nitro Benzene | 11.86 | 42.49 |
| Methanol | 624.84 | 618.95 |
| Others | 820.37 | 457.58 |
| Less: Sales Returns | (33.34) | (31.55) |
| Less: Discounts and Rate difference | (720.26) | (532.98) |
| Total | 29,911.64 | 13,982.92 |

| Sale of Service Comprise of | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|-----------------------------|---------------------------------|---------------------------------|
| Transport Receipts | 1,124.40 | 535.43 |

| | | (INR in Lacs) |
|----|---|---------------------------------|
| 22 | Other Income | |
| | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| | Interest Income | |
| | -From Bank | 2.23 |
| | -From Others | 10.26 |
| | Lifting Income* | 386.43 |
| | Commission | - |
| | Gain on Sale of Property, Plant and Equipment | - |
| | Miscellaneous Income | 1.89 |
| | Total | 400.81 |
| | | 385.06 |

* Lifting income is incentive or income earned by the company for taking/lifting excess HCL stock/production from manufacturing units. Such income is booked net of incentive passed on to vendors.

| | | (INR in Lacs) | |
|----|---|----------------|----------------|
| 23 | Changes in Inventory of Finished Goods | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Inventories at the end of the year | | |
| | Finished Goods | 233.69 | 189.88 |
| | Inventories at the beginning of the year | | |
| | Finished Goods | 189.88 | 109.79 |
| | Net (Increase)/Decrease | (43.81) | (80.09) |
| | | (INR in Lacs) | |
| 24 | Employee Benefit Expenses | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Salary, wages and Bonus | 86.75 | 69.18 |
| | Managerial Remuneration | 156.36 | 156.36 |
| | Staff Welfare | 3.16 | 4.64 |
| | Director's Insurance Premium | 9.76 | 7.18 |
| | Total | 256.03 | 237.36 |
| | | (INR in Lacs) | |
| 25 | Finance Cost | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Interest Cost | | |
| | -On Vehicle Loans | 45.37 | 43.29 |
| | -On Working Capital Loan | 69.83 | 17.36 |
| | -On Statutory Dues | 0.96 | 7.21 |
| | Other Borrowing Cost | 4.50 | 4.21 |
| | Total | 120.66 | 72.07 |
| | | (INR in Lacs) | |
| 26 | Other Expenses | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Administration Expense | | |
| | Duties & Taxes | 1.81 | 14.14 |
| | Insurance Expense | 23.19 | 25.58 |
| | Water, Fuel & Electricity Expense | 21.92 | 14.17 |
| | Stationery & communication expenses | 2.26 | 4.85 |
| | Repairs and Maintenance | | |
| | Office | 5.47 | 7.64 |
| | Office Equipments | 7.01 | 1.38 |
| | Computer | 0.65 | 0.88 |
| | Vehicles | 10.10 | 13.75 |
| | | 23.23 | 23.65 |
| | Auditor's Remuneration | 2.53 | 1.00 |
| | Bad debts written off | 24.47 | 20.99 |
| | Provision for Bad Debts written back | (24.47) | (20.99) |
| | Provision for Bad Debts | 56.00 | 11.32 |
| | Director Sitting Fees | 0.99 | 0.75 |
| | Legal & Professional Expense | 43.27 | 17.37 |
| | Rent Expense | 98.80 | 96.21 |
| | Travelling Expense | 1.75 | 1.47 |
| | Donation | 0.12 | 0.13 |
| | Corporate Social Responsibility Expenses | - | 2.50 |
| | Penalty | 2.38 | 2.23 |
| | Loss on Sale of Property, Plant and Equipment | 5.15 | - |
| | Miscellaneous Expenses | 14.04 | 15.55 |
| | Share of Loss from Associate | 14.61 | - |
| | Selling & Distribution Expense | | |
| | Sales Promotion Expenses | 14.45 | 12.79 |
| | Distribution expense | 3.31 | 4.07 |
| | Sales Commission | 117.68 | 64.53 |
| | Advertisement Expenses | 0.90 | 0.67 |
| | Total | 448.39 | 312.98 |

| 26.1 | Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|------|--------------------------------------|---------------------------------|---------------------------------|
| | Payment to Statutory Auditors | | |
| | For Audit Fees | 2.50 | 1.00 |
| | For Certification | 0.03 | |
| | Total | 2.53 | 1.00 |

(INR in Lacs)

| 27 | Tax Expense | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|----|-----------------------------------|---------------------------------|---------------------------------|
| | Current Tax Provision | 228.81 | 97.42 |
| | Tax for earlier years | - | 4.77 |
| | Deferred Tax (Also Refer Note 16) | (10.96) | 40.26 |
| | Total | 217.85 | 142.44 |

Income Tax Expense Reconciliation

| Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|--|---------------------------------|---------------------------------|
| Profit Before Tax | 848.37 | 415.47 |
| Tax Expense at applicable Tax rate (25.17%) | 213.53 | 104.57 |
| Permanent Differences | 4.32 | 33.10 |
| Adjustment recognised in the current year in relation to prior years expense | - | 4.77 |
| Total | 217.85 | 142.44 |
| Effective Tax Rate | 26% | 34% |

Earning Per Share (EPS)

| 28 | Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|----|---|---------------------------------|---------------------------------|
| | Profit Attributable to Equity Shareholders from Continuing Operations (Profit After Tax) | 630.52 | 273.02 |
| | Weighted Average shares used for calculating for EPS | 115.00 | 115.00 |
| | Face Value of each Share | 10.00 | 10.00 |
| | Basic & Diluted Earnings per share | 5.48 | 2.37 |
| | As per INDAS-33, the EPS has been restated for previous year due to take impact of issue of bonus shares during the year. | | |

Contingent Liabilities

(INR in Lacs)

| 29 | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----|--|-------------------------|-------------------------|
| | Contingent Liability not provided for claims against the Company not acknowledged as debt | | |
| | Bank Guarantee for Performance and Earnest money | 4.28 | - |
| | Estimated amount of contracts remaining to be executed on Capital Account. | - | - |

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30 Related Party Disclosures

a Subsidiary/ Joint Venture/ Associate

| Name of the Entity | Type |
|-----------------------|-----------|
| A-1 Sureja Industries | Associate |

b Key Management Personnel and relatives

| Name of Key Managerial | Designation |
|---|--|
| Harshad N. Patel | Chairman & Managing Director |
| Jitendra N. Patel | Whole Time Director |
| Helly H. Patel (Resigned w.e.f July 09, 2021) | Director |
| Krishna U. Patel | Director |
| Utkarsh H. Patel (Reappointed w.e.f August 06, 2021) | Whole Time Director |
| Himanshu Thakkar | CFO |
| Aanal Patel | Company Secretary |
| Chirag Rajnikant Shah | Independent Director |
| Lajju Hemang Shah | Independent Director |
| Nitinbhai Rikhavbhai Shah | Independent Director |
| Hansaben Patel (Resigned w.e.f. July 09, 2021) | Independent Director |
| Suresh Somnath Dave (Appointed w.e.f January 27,2022) | Independent Director |
| Name of Relatives | Relation |
| Ritaben H Patel | Wife of Chairman |
| Binduben J Patel | Wife of Whole Time Director |
| Jitendra N Patel | Whole time Director |
| Krishnaben N Patel | Mother of Whole Time Director and Chairman |

c Entities controlled by Directors/ Relative of Directors

Express Chemical Corporation
Avkar Chemical Industries
Numeron Multicuisine Restaurant

| Material Transactions with Related Parties | | | | | | | (INR in Lacs) | |
|--|------------------|--------------------------|--------------------|------------------|------------|---|--|-----------------------------|
| Name of Related Party | Remunerat ion | Director Sitting Fees | Sales Promotion | Rent Paid | Investment | Share of Profit/(Loss) from an Associate | Outstanding as at March 31,2022 | Balance March 31,2021 |
| Harshadkumar N Patel | 66.12 (66.00) | - | - | 29.57 (30.00) | - | - | - | - |
| Jitendra N.Patel | 48.12 (48.12) | - | - | 31.16 (32.09) | - | - | - | - |
| Utkarsh H.Patel | 42.12 (42.12) | - | - | - | - | - | - | - |
| Krishnaben N.Patel | - | - | - | 16.91 (16.91) | - | - | - | - |
| Binduben J.Patel | - | - | - | 8.45 (8.45) | - | - | - | - |
| Ritaben H.Patel | - | - | - | 8.45 (8.45) | - | - | - | - |
| Himanshu Thakkar | 10.40 (7.20) | - | - | - | - | - | - | - |
| Aanal Patel | 1.80 (1.80) | - | - | - | - | - | - | - |
| Chirag Rajnikant Shah | - | 0.33 (0.15) | - | - | - | - | - | - |
| Lajju Hemang Shah | - | 0.33 (0.18) | - | - | - | - | - | - |
| Urvish Ratilal Patel | - | - (0.09) | - | - | - | - | - | - |

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| | | | | | | | | |
|---------------------------------|----------------------------------|------------------------------|------------------------------|--------------------------------|---------------------------|----------------------------|---------------------------|-------------------------|
| Nitinbhai Rikhabhai Shah | - | 0.33 (0.09) | - | - | - | - | - | - |
| Hansaben Patel | - | - (0.24) | - | - | - | - | - | - |
| Numeron Multicuisine Restaurant | - | - | 0.22 (1.14) | - | - | - | - | 0.14 - |
| A-1 Sureja Industries | | | | | 261.65 | (14.61) | 247.04 | - |
| | | | | | - | - | - | - |
| Total | 168.56 (165.24) | 0.99 (0.75) | 0.22 (1.14) | 94.54 (95.90) | 261.65 - | (14.61) - | 247.04 - | 0.14 - |

Previous Years figures for transactions are mentioned in brackets

31 Fair Value Measurements

Financial Instrument by their category and their fairvalue

(INR in Lacs)

| As at March 31, 2022 | Carrying Value | | | | Fair Value | | | |
|------------------------------------|----------------|-------|-----------------|-----------------|------------|---------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | | | | |
| Trade Receivables | - | - | 4,630.95 | 4,630.95 | - | - | 4,630.95 | 4,630.95 |
| Cash & Cash Equivalents | - | - | 9.64 | 9.64 | - | - | 9.64 | 9.64 |
| Loans | - | - | 0.92 | 0.92 | - | - | 0.92 | 0.92 |
| Other Financial Assets | | | | | | | | - |
| Non Current | | | 446.26 | 446.26 | - | - | 446.26 | 446.26 |
| Current | - | - | 0.70 | 0.70 | - | - | 0.70 | 0.70 |
| Total Financial Assets | - | - | 5,088.47 | 5,088.47 | - | - | 5,088.47 | 5,088.47 |
| Financial Liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Non Current | - | - | 545.33 | 545.33 | - | - | 545.33 | 545.33 |
| Current | - | - | 2,052.52 | 2,052.52 | - | - | 2,052.52 | 2,052.52 |
| Trade Payables | - | - | 303.89 | 303.89 | - | - | 303.89 | 303.89 |
| Total Financial Liabilities | - | - | 2,901.74 | 2,901.74 | - | - | 2,901.74 | 2,901.74 |

| As at March 31, 2021 | Carrying Value | | | | Fair Value | | | |
|------------------------------------|----------------|-------|-----------------|-----------------|------------|---------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | | | | |
| Trade Receivables | - | - | 3,627.48 | 3,627.48 | - | - | 3,627.48 | 3,627.48 |
| Cash & Cash Equivalents | - | - | 46.99 | 46.99 | - | - | 46.99 | 46.99 |
| Loans | | | 71.64 | 71.64 | - | - | 71.64 | 71.64 |
| Other Financial Assets | | | | | | | | - |
| Non-Current | - | - | 239.80 | 239.80 | - | - | 239.80 | 239.80 |
| Current | - | - | 1.95 | 1.95 | - | - | 1.95 | 1.95 |
| Total Financial Assets | - | - | 3,987.86 | 3,987.86 | - | - | 3,987.86 | 3,987.86 |
| Financial Liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Non Current | - | - | 364.75 | 364.75 | - | - | 364.75 | 364.75 |
| Current | - | - | 1,296.62 | 1,296.62 | - | - | 1,296.62 | 1,296.62 |
| Other Financial Liabilities | | | | | | | | |
| Trade Payables | - | - | 138.52 | 138.52 | - | - | 138.52 | 138.52 |
| Total Financial Liabilities | - | - | 1,799.89 | 1,799.89 | - | - | 1,799.89 | 1,799.89 |

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The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed in the financial statements. To provide the indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments in to three levels prescribed is as under:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

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)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year

Valuation Process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

32 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- I Credit Risk
- II Liquid Risk
- III Market Risk

Risk Management Framework

The Company's risk management is governed by policies and approved by the board of directors. The company has policies for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and market risk.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

I Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company maintain its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis. "The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. "On account of the adoption of Ind AS 109, the company uses ECL model to assess the impairment loss or gain. The company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the company's experience for customers.

The Company reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Company also calculates the expected credit loss (ECL) for non-collection of receivables. The Company makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Company retains the provision made for doubtful debts without any adjustment.

The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

| (INR in Lacs) | | |
|---|-----------------------------|-----------------------------|
| Movement in allowance for bad and doubtful debts | As at March 31, 2022 | As at March 31, 2021 |
| Balance at beginning of the year | 122.96 | 132.63 |
| Add: Allowance made during the year | 56.00 | 11.32 |
| Less: Reversal of allowance made during the year | 24.47 | 20.99 |
| Balance at end of the year | 154.49 | 122.96 |

II Liquid Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

i) Exposure to Liquid Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

| (INR in Lacs) | | | | | | |
|------------------------------------|------------------------|------------------------------|------------------|------------------|--------------------|-----------------|
| As at March 31, 2022 | Carrying Amount | Contractual Cashflows | | | | |
| | | <1 year | 1-2 Years | 3-5 years | >5 years | Total |
| Financial Liabilities | | | | | | |
| Borrowings | | | | | | |
| Non Current | 545.33 | 244.06 | 285.11 | 16.16 | - | 545.33 |
| Current | 2,052.52 | 2,052.52 | - | - | - | 2,052.52 |
| Other Financial Liabilities | | | | | | |
| Trade Payables | 303.89 | 303.89 | - | - | - | 303.89 |
| Total Financial Liabilities | 2,901.74 | 2,600.47 | 285.11 | 16.16 | - | 2,901.74 |

(INR in Lacs)

| As at March 31, 2021 | Carrying Amount | Contractual Cashflows | | | | |
|------------------------------------|-----------------|-----------------------|---------------|---------------|----------|-----------------|
| | | <1 year | 1-2 Years | 3-5 years | >5 years | Total |
| Financial Liabilities | | | | | | |
| Borrowings | | | | | | |
| Non Current | 364.75 | - | 252.70 | 112.35 | - | 365.05 |
| Current | 1,296.62 | 1,296.62 | - | - | - | 1,296.62 |
| Other Financial Liabilities | | | | | | |
| Trade Payables | 138.52 | 138.52 | - | - | - | 138.52 |
| Total Financial Liabilities | 1,799.89 | 1,435.14 | 252.70 | 112.35 | - | 1,800.19 |

III Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three type of risks:

a) Currency Risk

As company has neither incurred any foreign currency transaction during the year nor it has any outstanding receivable or payable in foreign currency, it doesnot assume any currency risk.

b) Interest Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A-1 ACID LIMITED

| i) Exposure to interest rate risk | | (INR in Lacs) | |
|--|----------------------------|----------------------------|--|
| Particulars | As at March 31, 2022 | As at March 31, 2021 | |
| Fixed Rate Instruments | | | |
| Financial Liabilities | | | |
| Non Current | 545 | 183 | |
| Current | 376 | 272 | |
| Total (A) | 921 | 455 | |
| Variable Rate Instruments | | | |
| Financial Liabilities | | | |
| Non Current | - | 182 | |
| Current | 1,677 | 1,024 | |
| Total (B) | 1,677 | 1,206 | |
| Total Borrowings (A+B) | 2,598 | 1,661 | |
| % of Borrowings bearing Variable inter | 65% | 73% | |

ii) Interest Rate Sensitivity

| Particulars | 2021-22 | 2020-2021 |
|--|---------|-----------|
| 50bp increase would decrease the Profit Before Tax b | 8 | 6 |
| 50bp decrease would increase the Profit Before Tax b | 8 | 6 |

iii) Price Risk

As on March 31, 2022, the company has no exposure on security price Risks.

33 Capital management

"The Company's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance."The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company."

The gearing ratio at the end of the reporting period is as follows:

| | | (INR in Lacs) | |
|--------------------------|----------------------------|----------------------------|--|
| Particulars | As at March 31, 2022 | As at March 31, 2021 | |
| Debt | 2,598 | 1,661 | |
| Cash & Bank Balances | (212) | (48) | |
| Net Debt | 2,386 | 1,613 | |
| Equity | 4,651 | 4,021 | |
| Net Debt to Equity Ratio | 51% | 40% | |

A-1 ACID LIMITED

34 Expenditure on Corporate Social Responsibility activities

- a) Gross amount required to be spent by the Company during the year FY 21-22 was NIL (P.Y. NIL) under section 135 of the Companies Act, 2013. Unspent amount Of Rs. 3 lacs to be utilised in FY 19-20 has been utilised in FY 20-21
- b) Details of Expenditure on CSR is as below:

| Particulars | For the year ended March 31,2022 | | | For the year ended March 31,2021 | | |
|---------------------------------------|----------------------------------|------------------------|-------|----------------------------------|------------------------|-------|
| | Paid in cash | Yet to be Paid in cash | Total | Paid in cash | Yet to be Paid in cash | Total |
| (i) Construction/Acquisition of Asset | - | - | - | - | - | - |
| (ii) purpose other than (i) above | - | - | - | 3 | - | 3 |

35 Segment Information

There are no separate reportable segments as per IND AS 108 as the entire operations of the Company relate to single segment viz. Trading of Acids and Chemicals.

36 Ministry of Corporate Affairs notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23,2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st 2022, as below:

IND AS 103- Reference to Conceptual Framework

IND AS 16- Proceeds from Intended Use

IND AS 37- Costs of fulfilling a Contract

IND AS 109- Annual Improvements to IND AS (2021

IND AS 106- Annual Improvements to IND AS (2021

The Company has evaluated the amendments and there is no material impact of these amendments on Standalone financial Statements.

37 Additional Regulatory Information

| a | Ratios | Numerator | Denominator | 31.3.22 Ratio | 31.3.21 Ratio | Variance |
|----------|--|--|------------------------------|--------------------------|--------------------------|-----------------|
| | (i) Current Ratio | Current Assets | Current Liabilities | 2.03 | 2.67 | -24% |
| | (ii) Debt-Equity Ratio (1) | Total Debt | Shareholder's Equity | 0.56 | 0.52 | 8% |
| | (iii) Debt Service Coverage Ratio (2) | Earnings available for Debt Servicing | Total Debt service | 2.69 | 1.65 | 63% |
| | (iv)Return on Equity Ratio (%) | Profit After Taxes | Average Shareholder's Equity | 13.56% | 6.79% | 100% |
| | (v)Inventory turnover ratio (in days) | Cost of Goods Sold | Average Inventory | 2.77 | 3.77 | -26% |
| | (vi)Trade Receivables turnover ratio (In days) | Revenue from Operations | Average Trade Receivables | 50.19 | 76.69 | -35% |
| | (vii)Trade payables turnover ratio (In days) | Purchase of Goods & services and Other expense | Average Trade Payables | 2.70 | 2.15 | 25% |
| | (viii) Net Capital turnover | Revenue from Operations | Working Capital | 11.04 | 5.24 | 111% |
| | (vii)Net Profit Ratio | Net Profit After Taxes | Revenue from Operations | 2% | 2% | - |
| | (vii)Return on Capital Employed (3) | Earning Before Interest and Tax | Capital Employed | 0.13 | 0.08 | 59% |
| | (ix)Return on Investment | Income from Investments | Cost of Investment | -0.06 | NA | |

1 Total Debt = Current Borrowings + Non Current Borrowings

2 Earnings available for Debt Servicing= Net profit before taxes+ Interest+ Depreciation+ adjustment for non operational income/expenses

3 Capital Employed= Tangible Networth + Total Debt+ Deferred Tax Liability

4 Working Capital= Current Assets- current liabilities

Reason For Variance above 25% in ratios

1 Return on Equity, , Debt Service Coverage Ratio & Return on Capital Employed Ratio: The Return ratios have improved on account of increased profitability vis a vis last year

2 Net Capital Turnover:The ratio has improved on account of increased profitability and revenue from operations vis a vis last year

3 Inventory Turnover, Trade Payable & Receivable Turnover Ratio: The ratios have improved on account of efficient working capital cycle management

b The company has complied with the number of layers prescribed under clause (87)of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

c Company has no balance outstanding for transactions done with the Companies Struck Off either under section 248 of the Act or under Section 560 of Companies act 1956.

d No undisclosed Income is voluntarily disclosed under any scheme identified by Income tax authorities under any tax assessments under the Income Tax Act.

e The Company has neither traded nor invested in crypto currency during the financial year.

A-1 ACID LIMITED

- f** No Proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- g** The Company donot have charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- h** The Company is not declared as willful defaulter by any bank or Financial Institution or other lender.
- i** **Utilisation of Borrowed funds and Share Premium**
- a) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) During the year, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 Approval of Standalone Financial Statements

The Standalone financial statements are approved for issue by Audit Committee and Board of Directors at their meetings held on May 10, 2022

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The figures of previous year have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

The notes on account form integral part of the financial Statement 1 to 39

As per our Report of even date attached

For, Riddhi P. Sheth & Co.

Chartered Accountants

Firm egistration No. : 140190W

Sd/-

Riddhi P.Sheth

Proprietor

Membershi .No.159123

Place : Ahmedabad

Date: May 10, 2022

For and on Behalf of Board

Sd/-

Harshadkumar Patel

Chairman & Managing

(DIN: 00302819)

Sd/-

Himanshu Thakkar

CFO

Place : Ahmedabad

Date: May 10, 2022

Sd/-

Jitendra Patel

Whole Time Director

(DIN: 00164229)

Sd/-

Aanal Patel

Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of A-1 Acid Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of A-1 Acid Limited (hereinafter referred to as the "Holding Company") and its associate firm which comprise the Consolidated Balance Sheet as at March 31 2022, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such associate firm as were audited by the other auditors, the aforesaid Consolidated 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 Indian accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Holding Company and its joint venture as at March 31, 2022, the Consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Holding Company and its associate firm in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the current period. These matters were addressed in the context of our audit of the Consolidated 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 the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| | <p>Recoverability assessment of trade receivables:</p> <p>The Holding Company has a net trade receivables of INR 4630.95 Lacs after providing for bad and doubtful debts of INR 154.48 Lacs as at 31st March,2022.</p> <p>Trade receivables of the Holding Company comprises mainly receivables in relation to the Company's</p> <p>(i) trading business regarding the sale of Acid and</p> <p>(ii) services rendered for Transportation.</p> <p>The increasing challenges over the economy and operating environment in the trading industry during the year have increased the risks of default on receivables from the Holding Company's customers. In particular, in the event of insolvency of customers, the Holding Company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements Of the agreements.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer.</p> <p>Management would make provision based on the established model as well as specific provision against individual balances with reference to its recoverable amount.</p> <p>For the purpose of establishing provisioning model to make provision for bad and doubtful debts, significant judgments and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required to be made.</p> | <p>Our response to the risk:</p> <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> - Identification of loss events, including early warning and default warning indicators; - Assessment and approval of individual loss provisions; - Governance including model validation and the assessment of the suitability of models, appropriateness of assumptions, and approval of provisions; and Completeness and accuracy of data input into models and provision calculators. <p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> • Tested the accuracy of aging of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management as well as conducting market research on the industry; • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and • Tested subsequent settlement of trade receivables after the balance sheet date on a Sample basis if any, <p>For modeled provisions, we tested data inputs used for modeled provisions. We assessed the appropriateness of the models used.</p> <p>Were performed the provision calculations and compared our measurement outcome to that prepared by management and investigated any Differences arising.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> |

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities Relating to other information'.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company including its associate firm in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Holding Company and of its associate firm are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of Holding 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors of the Holding Company and of its associate firm are responsible for assessing the ability of the Holding Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its associate firm or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company and of its associate firm is also responsible for overseeing the financial reporting process of Holding Company and associate firm .

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Consolidated Financial Statements.

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

Identify and assess the risks of material misstatement of the Consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements 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 ability of the Holding Company and its associate firm to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated 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 auditors' report. However, future events or conditions may cause the Holding Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Holding Company and its associate firm to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraphs (a) and (b) of the Other Matters

paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance of the Holding Company 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 Consolidated Financial Statements for the financial year ended March 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' 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

1. The Consolidated Financial Statements includes the audited financial results of:
 - a) 1 (one) associate firm, whose financial statements include the Holding Company's share of net loss of INR 14.61 lakhs for the year ended March 31, 2022, which has been audited by its independent auditor.

The independent auditors' report on the financial statements of these entity have been furnished to us by the Management of the Holding Company and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in the paragraph above.

Our opinion above on the Consolidated Financial Statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management of the Holding Company.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements and other financial information of the associate firm, referred to in the Other Matters section above we report to the extent applicable, that:

- (a) We/ the other auditors whose reports we have relied upon 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 of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls with reference to these Consolidated Financial Statements of the Holding Company refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:

In our opinion and according to the records of the Holding Company examined by us and the information and explanation given to us, the Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate firm, as noted in the 'Other Matters' paragraph:
 - i. The Holding Company does not have any pending litigations which would impact its financial position
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - iv. (a) The Management of Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

the Holding Company to or in any other persons or any entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) Management of Holding Company has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company from any persons or any entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. (a) The Holding Company did not declare or paid dividend during the year hence question of compliance with section 123 of the Companies Act, 2013 does not arise
- 2. With respect to the matters specifies in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company, we report that CARO is not applicable to its associate firm whose accounts are included in the consolidated financial statements of the Company.

For, Riddhi P. Sheth & CO
Chartered Accountants
Firm Registration number: 140190W

Sd/-
(Riddhi P.Sheth)
Proprietor
Membership No. 159123
UDIN: 22159123AIROQK6097

Place: Ahmedabad.

Date: May 10,2022

Annexure A to the Independent Auditors' Report

[Annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report on financial statements for the year ended March 31, 2022 to the members of A-1 Acid Limited]

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of A-1 Acid Limited ("hereinafter referred to as the "Holding Company") as of March 31, 2022 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 Holding 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 (ICAI). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was 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 Holding 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

In our opinion, the Holding 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, 2022, 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.

For, Riddhi P. Sheth & CO
Chartered Accountants
Firm Registration number: 140190W

Sd/-
(Riddhi P. Sheth)
Proprietor
Membership No. 159123

Place: Ahmedabad.

Date: May 10, 2022

A-1 ACID LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(INR in Lacs)

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3A | 1,672.43 | 1,386.09 |
| Capital Work-In- Progress | 3B | 9.20 | 9.20 |
| Goodwill | 3C | 31.00 | 31.00 |
| Financial Assets | | | |
| (i) Investments | 4 | 247.04 | - |
| (ii) Other Financial Assets | 5 | 446.26 | 239.80 |
| Other Non-Current Assets | 6 | 25.98 | 3.80 |
| Total Non-Current Assets (A) | | 2,431.91 | 1,669.89 |
| Current Assets | | | |
| Inventories | 7 | 233.69 | 189.88 |
| Financial Assets | | | |
| (i) Trade Receivables | 8 | 4,630.95 | 3,627.48 |
| (ii) Cash and Cash Equivalents | 9 | 9.64 | 46.99 |
| (iii) Loans | 10 | 0.92 | 71.64 |
| (iv) Other Financial Assets | 11 | 0.70 | 1.95 |
| Other Current Assets | 12 | 661.81 | 493.67 |
| Total Current Assets (B) | | 5,537.71 | 4,431.61 |
| Total Assets (A+B) | | 7,969.62 | 6,101.50 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 13 | 1,150.00 | 1,000.00 |
| Other Equity | 14 | 3,501.40 | 3,020.87 |
| Total Equity (A) | | 4,651.40 | 4,020.87 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 15 | 545.33 | 364.75 |
| Deferred Tax Liabilities (Net) | 16 | 45.16 | 56.12 |
| Total Non-Current Liabilities (B) | | 590.49 | 420.87 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 17 | 2,052.52 | 1,296.62 |
| (ii) Trade Payables | 18 | 303.89 | 138.52 |
| Other Current Liabilities | 19 | 357.01 | 209.04 |
| Current Tax Liabilities (Net) | 20 | 14.31 | 15.58 |
| Total Current Liabilities (C) | | 2,727.73 | 1,659.76 |
| Total Liabilities (A+B+C) | | 7,969.62 | 6,101.50 |

The notes on account form integral part of the financial Statement 1 to 39
As per our Report of even date attached

For, Riddhi P. Sheth & Co.

Chartered Accountants

Firm Registration No.: 140190W

Sd/-

Riddhi P. Sheth

Proprietor

Membership No. 159123

Place : Ahmedabad

Date: May 10, 2022

For and on Behalf of Board

Sd/-

Harshadkumar Patel

Chairman & Managing Director

(DIN: 00302819)

Sd/-

Himanshu Thakkar

CFO

Place : Ahmedabad

Date: May 10, 2022

Sd/-

Jitendra Patel

Whole Time Director

(DIN: 00164229)

Sd/-

Aanal Patel

Company Secretary

A-1 ACID LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2022

| (INR in Lacs) | | | |
|--|-------|---------------------------------|---------------------------------|
| Particulars | Notes | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| Revenue from Operations | 21 | 31,036.04 | 14,518.35 |
| Other Income | 22 | 400.81 | 385.06 |
| Total Income | | 31,436.85 | 14,903.41 |
| EXPENSES | | | |
| (i) Purchase of Stock-In-Trade | | 27,888.25 | 12,423.88 |
| (ii) Transport Expenses | | 1,584.30 | 1,240.88 |
| (iii) Changes in Inventory of Finished Goods | 23 | (43.81) | (80.09) |
| (iv) Employee Benefit Expenses | 24 | 256.03 | 237.36 |
| (v) Finance Costs | 25 | 120.66 | 72.07 |
| (vi) Depreciation and Amortization Expense | 38 | 334.66 | 280.86 |
| (vii) Other Expenses | 26 | 433.78 | 312.98 |
| Total Expense | | 30,573.87 | 14,487.94 |
| Profit Before Tax and Share of Profit/(loss) from an Associate | | 862.98 | 415.47 |
| Tax Expense | | | |
| (i) Current Tax | 27 | 228.81 | 97.42 |
| (ii) Deferred Tax | 27 | (10.96) | 40.26 |
| (ii) Tax for earlier years | | - | 4.77 |
| Profit for the year Before Share of Profit/(loss) from an Associate | | 645.13 | 273.02 |
| Share of Profit/(loss) from an Associate | | (14.61) | - |
| Other Comprehensive Income | | | |
| (i) Items that will not be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will not be reclassified to Profit and Loss | | - | - |
| (iii) Items that will be reclassified to Profit and Loss | | - | - |
| (ii) Income Tax on items that will be reclassified to Profit and Loss | | - | - |
| Total Comprehensive Income for the year | | 630.52 | 273.02 |
| Earning Per Share : Basic & Diluted | 28 | 5.48 | 2.37 |

The notes on account form integral part of the financial Statement 1 to 39

As per our Report of even date attached

For, Riddhi P. Sheth & Co.
Chartered Accountants
Firm Registration No.: 140190W

Sd/-
Riddhi P.Sheth
Proprietor
Membership No.159123

Place : Ahmedabad
Date: May 10, 2022

For and on Behalf of Board

Sd/-
Harshadkumar Patel
Chairman & Managing Director
(DIN: 00302819)

Sd/-
Himanshu Thakkar
CFO

Place : Ahmedabad
Date: May 10, 2022

Sd/-
Jitendra Patel
Whole Time Director
(DIN: 00164229)

Sd/-
Aanal Patel
Company Secretary

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2022

| | (INR in Lacs) | |
|--|---------------------------------|---------------------------------|
| Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| A Cash from Operating Activities | | |
| Profit Before Tax | 862.98 | 415.07 |
| Adjustments for: | | |
| Depreciation | 334.66 | 281.16 |
| Finance Cost | 115.20 | 60.95 |
| Share of Profit from Associate | (14.61) | |
| Sundry Balance Written Off | (2.40) | 4.89 |
| Provision for Expected Credit Loss | 56.00 | 11.32 |
| Interest Income | (10.26) | (19.43) |
| Loss on sale of Fixed Assets | 5.15 | (11.19) |
| Operating Profit before Changes in Working Capital | 1,346.72 | 742.77 |
| Movements in Working Capital | | |
| Decrease/ (Increase) in Other Financial Non current Assets | (206.46) | 0.87 |
| Decrease/ (Increase) in Inventories | (43.81) | (80.09) |
| Decrease/ (Increase) in Trade Receivables | (1,057.06) | (1,170.23) |
| Decrease/ (Increase) in Other Current Financial Assets | 1.24 | 26.50 |
| Decrease/ (Increase) in Other Current Assets | (168.14) | 110.09 |
| (Decrease)/ Increase in Trade Payables | 165.37 | 112.28 |
| (Decrease)/ Increase in Other Current liability | 147.97 | (111.69) |
| Cash Generated from Operations | 185.83 | (369.50) |
| Income Tax (Paid)/Received | (206.02) | (23.15) |
| Net Cash generated/(used in) from Operating Activities | (20.19) | (392.65) |
| B Cash Flow from Investment Activities | | |
| Purchase of Property, Plant & Equipment including | | |
| Capital Advances and Capital Work in Progress | (743.88) | (597.23) |
| Investment in an Associate | (247.04) | - |
| Sale of Property, Plant & Equipment | 71.50 | 19.61 |
| Interest Income | 10.26 | 19.43 |
| Net Cash generated/(used in) from Investment Activities | (909.16) | (558.19) |
| C Cash From Financing Activities | | |
| Repayment of Non Current Borrowings | 180.58 | 17.66 |
| Proceeds/(repayment) from Current Borrowings | 755.90 | 1,007.27 |
| Repayment of Lease Liabilities | | (39.75) |
| Loans given/recovered | 70.72 | 17.34 |
| Interest Paid | (115.20) | (60.95) |
| Net Cash generated/(used in) From Financing Activities | 892.00 | 941.57 |
| Net Increase/Decrease in Cash & Cash Equivalents | (37.35) | (9.27) |
| Cash & Cash Equivalents at the beginning of the year | 46.99 | 56.26 |
| Cash & Cash Equivalents at the end of the year | 9.64 | 46.99 |

Note to Cash Flow Statement:

1

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow

2 The Group has total sanctioned limit (fund & non-fund based) of Rs.2300 lakhs (P.Y. 1400 lakhs) with banks, out of which 1677 lakhs (P.Y. 944 lakhs) has been utilised.

3 Cash And Cash Equivalents comprises of:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Cash On Hand | 5.26 | 33.70 |
| Balances with Banks-In Current Account | 4.38 | 13.29 |
| Cash and Cash Equivalents as per Note 9 | 9.64 | 46.99 |
| Cash and Cash Equivalents as per Cash Flow | 9.64 | 46.99 |

4 Disclosure as required by IND AS 7

Reconciliation of liabilities arising from financing activities

As at March 31, 2022**(INR in Lacs)**

| Particulars | Opening Balance | Cashflows | Non Cash Changes | Closing Balance |
|---|-----------------|---------------|------------------|-----------------|
| Current Borrowings (including Current maturities of Long term Debt) | 1,296.62 | 755.90 | - | 2,052.52 |
| Non Current Borrowings | 364.75 | 180.58 | - | 545.33 |
| Total liabilities fom financing activities | 1,661.37 | 936.48 | - | 2,597.85 |

As at March 31, 2021

| Particulars | Opening Balance | Cashflows | Non Cash Changes | Closing Balance |
|---|-----------------|-----------------|------------------|-----------------|
| Current Borrowings (including Current maturities of Long term Debt) | 289.65 | 1,007.27 | - | 1,296.62 |
| Non Current Borrowings | 347.09 | 17.66 | - | 364.75 |
| Total liabilities fom financing activities | 636.74 | 1,024.93 | - | 1,661.37 |

The Notes on Account form Integral part of the Financial Statements 1 to 39

As per our report of even date attached

For, Riddhi P. Sheth & Co.
Chartered Accountants
Firm Registration No. : 140190W

Sd/-
Riddhi P.Sheth
Proprietor
Membership No. 159123

Place : Ahmedabad
Date: May 10, 2022

For and on Behalf of Board
Sd/-
Harshadkumar Patel
Chairman & Managing Director
(DIN: 00302819)

Sd/-
Himanshu Thakkar
CFO

Place : Ahmedabad
Date: May 10, 2022

Sd/-
Jitendra Patel
Whole Time Director
(DIN: 00164229)

Sd/-
Aanal Patel
Company Secretary

A-1 ACID LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31,2022

| | (INR in Lacs) |
|--|-----------------|
| Equity Share Capital | Amount |
| Balance as at April 01,2020 | 1,000.00 |
| Changes in equity Share Capital due to prior period errors | - |
| Restated Balance as at April 01, 2020 | 1,000.00 |
| Changes During the year | - |
| Balance as at March 31,2021 | 1,000.00 |
| Changes in equity Share Capital due to prior period errors | - |
| Restated Balance as at April 01, 2021 | 1,000.00 |
| Changes During the year | 150.00 |
| Balance as at March 31,2022 | 1,150 |

The company has issued 3 equity bonus shares for every 20 equity shares during the year ended on March 31,2022.

| | (INR in Lacs) | | | |
|---|-----------------|--------------------|-------------------|-----------------|
| Other Equity | General Reserve | Securities Premium | Retained Earnings | Total |
| Balance as at April 01,2020 | 32.61 | 1,370.78 | 1,344.47 | 2,748.44 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance as at April 01, 2020 | 32.61 | 1,370.78 | 1,344.47 | 2,748.44 |
| Total Comprehensive Income for the year | | | 273.02 | 273.02 |
| Balance as at March 31,2021 | 32.61 | 1,370.78 | 1,617.49 | 3,020.87 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Issue of Bonus Shares | - | - | (150.00) | (150.00) |
| Total Comprehensive Income for the year | - | - | 630.52 | 630.52 |
| Balance as at March 31,2022 | 32.61 | 1,370.78 | 2,098.01 | 3,501.40 |

The notes on account form integral part of the financial Statement 1 to 39

As per our Report of even date attached

For, Riddhi P. Sheth & Co.

Chartered Accountants

Firm Registration No.: 140190W

Sd/-

Riddhi P.Sheth

Proprietor

Membership No.159123

For and on Behalf of Board

Sd/-

Harshadkumar Patel
Chairman & Managing
Director
(DIN: 00302819)

Sd/-

Himanshu Thakkar
CFO

Sd/-

Jitendra Patel

Whole Time Director
(DIN: 00164229)

Sd/-

Aanal Patel
Company Secretary

Place : Ahmedabad

Date: May 10, 2022

Place : Ahmedabad

Date: May 10, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

1 GROUP'S OVERVIEW

The consolidated financial statements comprise Financial Statements of A-1 Acid Limited and Share of Profit/(Loss) from an Associate A-1 Sureja Industries. A-1 Acid Limited is a Limited Group domiciled in India and incorporated under the Provisions of Companies Act, 1956. The Group is engaged in the wholesale trading of Acid & Chemicals and also in transportation business. The Group was listed with BSE Limited on SME platform from October 10, 2018. Whereas, an associate A-1 Sureja Industries is mainly engaged in manufacturing of electric two wheelers and agricultural pumps.

The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements"

2 SIGNIFICANT ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Basis of Preparation

a) Statement of Compliance

The Consolidated Financial Statements have been prepared with all material aspect with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the act) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

b) Basis of Preparation

The consolidated financial statements have been prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except where the fair valuation have been carried out in accordance with the requirements of respective IND AS.

The Operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Ind AS 1- 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and entity controlled by the Group i.e. its subsidiary. The consolidated Financial Statements also include the Group's Share of Profits from Associate that are consolidated using Equity method. The results of Associate acquired during the year are included in the Consolidated Statement of Profit and Loss from the effective date of acquisition.

Wherever necessary, adjustments are made to the financial statements of subsidiaries and joint arrangements to bring their accounting policies in line with those used by other members of the Group. Intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- (i) identifies and recognises the individual identifiable assets acquired
- (ii) allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

2.4 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal

2.5 Functional and presentation currency

The consolidated financial statements of the Group are presented in Indian rupees (INR), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

2.6 Use of Estimates

The preparation and presentation of Consolidated financial statements are in conformity with the Ind As which required management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management believes that the estimates used in the preparation of Consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

2.7 Key Accounting Estimates and Judgement used in application of Accounting Policies

a. Income Taxes

Significant judgements are involved in determining the provision for Income Taxes, including amount expected to be paid / recovered for uncertain tax positions.

b. Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of the Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology. (Refer Note 3A)

c. Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on empirical evidence available without undue cost or effort, existing market conditions as well as forward looking estimates at the end of each reporting period.

d. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments. (Refer Note 30 and 31)

2.8 Property, Plant and Equipment & Depreciation

Property, plant and equipment are stated at historical cost (net of recoverable taxes) less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component, if accounted for as a separate asset, is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The gain or loss arising on the disposal or retirement of an property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year of disposal.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capital Work-in-Progress

Capital work in progress is stated at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and net of accumulated impairment losses, if any.

Depreciation methods, estimated useful life and residual value:

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on assets has been provided on the Straight Line method based on the useful lives prescribed in Schedule II to the Companies Act. In respect of addition and sales of assets during the year, depreciation is provided on pro rata basis. The Group has kept the residual value @5% of original cost.

A-1 ACID LIMITED

The Estimated Useful Lives are mentioned below:

Furniture & Fixtures-10 years
Office Equipments-5 to 15 years
Tankers - 6 years
Storage Tanks- 15 years
Computers- 3 years
Vehicles- 8 years

2.9 Intangible Assets and Amortisation :

Goodwill was recognised on succession of promoter's proprietary business by A-1 Acid Private Limited in 2004. It is tested for impairment at end of each reporting period and not amortised.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment including intangible assets, recognised as at 1 April 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.10 Impairment of non - financial assets

The Group reviews the carrying amount of its Property, Plant and Equipment, including Capital Work in progress of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Recoverable Amount is determined:

- i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii) In case of cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's fair value less cost to sell and the value in use.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

2.11 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.

A Financial Assets

i. Initial recognition and measurement:

At initial recognition, the Group measures a financial asset (which are not measured at fair value) through profit or loss at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

ii. Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

- i) Financial assets measured at amortised cost;
- ii) Financial assets at fair value through profit or loss (FVTPL) and
- iii) Financial assets at fair value through other comprehensive income (FVOCI)

The Group classifies its financial assets in the above mentioned categories based on:

- a) The Group's business model for managing the financial assets, and
- b) The contractual cash flows characteristics of the financial asset.

i) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

b) Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

iii) Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by collecting both contractual cash flows that gives rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income. In addition, The Group may elect to designate a financial asset, which otherwise meets amortised cost or FVOCI 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').

Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents etc. are classified for measurement at amortised cost.

iii. Derecognition:

The Group derecognizes a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the assets's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Profit and Loss.

iv. Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 only, the Group follows 'simplified approach' for recognition of impairment loss and always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109 i.e. expected credit loss allowance as computed based on historical credit loss experience.

B Financial Liabilities

i. Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii. Subsequent measurement:

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

- i) Financial liabilities measured at amortised cost.
- ii) Financial liabilities at fair value through profit or loss.

i) Financial liabilities measured at amortised cost

Subsequently, all financial liabilities are measured at amortised cost. Any discount or premium on redemption/ settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group 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 and loss.

iii. Derecognition

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged or cancelled or expiry. 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 derecognition 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.

2.12 Off-setting of financial instruments:

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

2.13 Fair value measurement

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 under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

2.14 Inventories

Inventories are valued at the lower of cost (on FIFO) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges.

2.15 Borrowing Cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets.

2.16 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.17 Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.18 Revenue Recognition

Sales are accounted on transfer of significant risks and rewards of ownership to the buyer which generally coincides with dispatch of products to customers. are accounted net of VAT/GST, Discounts and Returns as applicable.

2.19 Dividend

The Group recognises a liability for dividends to equity holders of the Group when the dividend is authorized and the dividend is no longer at the discretion of the Group. As per the corporate laws in India, dividend is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.20 Employee Benefit

Defined Contribution Plan

The Group is not liable for ESIC or Provident Fund contribution as the employee base is less than that prescribed under Employees' Provident Fund and Miscellaneous Provisions Act, for mandatory applicability.

Defined Benefit Plan

The Group is not liable for Gratuity contribution as the employee base is less than that prescribed under The Gratuity Act, 1972, for mandatory applicability.

2.21 Earnings per Share

Basic earnings per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the Group by the weighted average number of Equity Shares issued during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

2.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the Consolidated financial statements.

2.23 Taxes on Income**a) Current Tax**

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

a) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.24 Segment Reporting

Operating Segments are reported in a manner consistent with the Internal Reporting provided to the Chief Operating Decision Maker (CODM), Harshadkumar Patel (CMD), of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

Further, Group is engaged in business in only Indian Markets, hence no separate geographical segment reportable.

2.25 Lease

Lease payments under an operating lease are recognized as expense in the statement of profit and loss, on a straight-line or other systematic basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognised in the year in which such liability accrues.

Tankers on Finance lease has been disclosed as Right to Use assets at Present Value of future lease payments in accordance with IND AS 116. Under IGAAP, these tankers were disclosed at total value inclusive of Terminal Value to be paid at end of lease term for purchasing asset. As management is not certain for opting the purchase option at end of lease period, under IND AS 116, the RTU asset has been recognised as mentioned, exclusive of Present Value of terminal Value.

| (INR in Lacs) | | |
|--|-------------------------|-------------------------|
| 13 Equity Share Capital | As at March 31, 2022 | As at March 31, 2021 |
| Authorised Capital 20000000 (previous year 12000000) Equity Shares of Rs. 10 Each | 2,000.00 | 1,200.00 |
| Issued, Subscribed and Paid-up 11500000 (Previous year 10000000) Equity Shares of Rs. 10 Each fully Paid-up | 1,150.00 | 1,000.00 |
| Total | 1,150.00 | 1,000.00 |

a(i) The company has only one class of shares referred to as Equity shares having face value of Rs. 10/-. Each Holder of equity share is entitled to one vote per share and rank equally with regard to dividends .

(ii) 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, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

(iii) The distribution will be in proportion to the number of equity shares held by the shareholders

(iv) No Shares has been reserved for issue under options or contracts/commitments for the shares/disinvestment

(v) The company has issued 3 equity bonus shares for every 20 equity shares during the year ended on March 31,2022.

(vi) **In the five years immediately preceeding March 31, 2022**

60,00,000 Equity Shares of Rs. 10 each fully paid up, were issued as bonus shares during the month of December 2017, by utilisation of Rs.6 00,00,000 from surplus, pursuant to a bonus issue approved by shareholders.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and any other corporate action, after allotment.

| (INR in Lacs) | | |
|--|--------------|----------|
| b. Reconciliation of the number of shares outstanding and the amount of share capital is set out below: | | |
| Particulars | No of Shares | Amount |
| Share Capital as at April 01,2020 | 10,000,000 | 1,000.00 |
| Addition in Share Capital | - | - |
| Share Capital as at March 31,2021 | 10,000,000 | 1,000.00 |
| Addition in Share Capital on issue of Bonus | 1,500,000 | 150.00 |
| Share Capital as at March 31,2022 | 11,500,000 | 1,150.00 |

c. Details of Shareholders holding more than 5% shares in the Company

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------|-------------------------|-------------------------|
| Harshadbhai N Patel- % | 27.30% | 27.30% |
| No of Shares | 3,139,501 | 2,730,000 |
| Jitendrabhai N Patel-% | 27.30% | 27.30% |
| No of Shares | 3,139,500 | 2,730,000 |
| Krishnaben Naranbhai Patel-% | 7.70% | 7.70% |
| No of Shares | 885,040 | 769,600.0 |
| Utkarsh H Patel | 7.70% | 7.70% |
| No of Shares | 885,500 | 770,000.0 |

d. Shared held by the Promoters at the end of the year

| Name of the Promoter | As at March 31,2022 | | As at March 31,2021 | | |
|----------------------|---------------------|-------------------|---------------------|-------------------|----------|
| | No of Shares | % of Total Shares | No of Shares | % of Total Shares | % change |
| Harshadbhai N Patel | 3,139,501 | 27.30% | 2,730,000 | 27.30% | - |

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| | | | | | |
|----------------------------|-----------|--------|-----------|--------|---|
| Jitendrabhai N Patel | 3,139,500 | 27.30% | 2,730,000 | 27.30% | - |
| Krishnaben Naranbhai Patel | 885,040 | 7.70% | 769,600 | 7.70% | - |
| Utkarsh H Patel | 885,500 | 7.70% | 770,000 | 7.70% | - |

No of shares held by Promoters as on March 31,22 has increased due to issue of Bonus shares. However the ratio of holding has not changed due to issue of pro-rata shares.

As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

| (INR in Lacs) | | | | |
|---|-----------------|--------------------|-------------------|-----------------|
| 14 Other Equity | General Reserve | Securities Premium | Retained Earnings | Total |
| Balance as at April 01,2020 | 32.61 | 1,370.78 | 1,344.47 | 2,748.44 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance as at April 01, 2020 | | | | |
| Total Comprehensive Income for the year | - | - | 273.02 | 273.02 |
| Balance as at March 31,2021 | 32.61 | 1,370.78 | 1,617.49 | 3,020.87 |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance as at April 01, 2021 | 32.61 | 1,370.78 | 1,617.49 | 3,020.87 |
| Issue of Bonus Shares | - | - | (150.00) | (150.00) |
| Total Comprehensive Income for the year | - | - | 630.52 | 630.52 |
| Balance as at March 31,2022 | 32.61 | 1,370.78 | 2,098.01 | 3,501.40 |

- On 5th October 2018, the Company has allotted 30,00,000 Equity Shares of face value Rs. 10/- each fully paid -up at issue price of Rs.60/- per share including a premium of Rs.50/- per share aggregating to Rs.1,500 lacs of Securities Premium balance, through the initial public offer. Against this balance of Premium amount Rs. 129.22 lacs was adjusted as IPO expense leaving balance of Rs. 1370.78 lacs
- General Reserve is created by transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.
- The company has issued 3 equity bonus shares for every 20 equity shares during the year ended on March 31,2022.

| (INR in Lacs) | | |
|---|----------------------|----------------------|
| 15 Borrowings (Non-Current) | As at March 31, 2022 | As at March 31, 2021 |
| Secured (At amortised cost) | | |
| Term Loans from Banks | 921.05 | 609.08 |
| Sub Total | 921.05 | 609.08 |
| Less: Current Maturities of long term Debt (Refer Note-17) | 375.72 | 244.33 |
| Total | 545.33 | 364.75 |

Security

Term Loans are secured against hypothecation of vehicles

Interest

Interest Rates on term loans range between 8.5% to 10.5%

Repayment

Term loans are repayable in monthly installments. The installments payable within 12 months are reported as current maturity of long term debts in Note 17

| (INR in Lacs) | | |
|-----------------------------------|----------------------|----------------------|
| 16 Deferred Tax Liabilities (Net) | As at March 31, 2022 | As at March 31, 2021 |
| Deferred Tax Liabilities | | |
| Property, Plant and Equipment | 84.01 | 87.10 |
| Deferred Tax Assets | | |

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| | | |
|---|--------------|--------------|
| Non deductible expenses for tax purpose | 38.85 | 30.98 |
| Net Deferred Tax Liabilities | 45.16 | 56.12 |

| Movements in Deferred Tax Liabilities | Difference of Depreciation as per Income Tax and Company Law |
|---|---|
| As at March 31,2020 | 15.86 |
| Charge/(credit) to Profit & Loss | 40.26 |
| Charge/(credit) to Other Comprehensive Income | |
| As at March 31,2021 | 56.12 |
| Charge/(credit) to Profit & Loss Account | (10.96) |
| Charge/(credit) to Other Comprehensive Income | |
| As at March 31,2022 | 45.16 |

(INR in Lacs)

| 17 Borrowings (Current) | As at | As at |
|---|-----------------|-----------------|
| | March 31, 2022 | March 31, 2021 |
| Secured (At amortised cost) | | |
| Working Capital Loans | | |
| From Banks* | 1,676.80 | 944.04 |
| Loans from Financial Institutions (Secured) | - | 108.25 |
| Current Maturities of Long Term Debt | 375.72 | 244.33 |
| Total | 2,052.52 | 1,296.62 |

*Secured by Hypothecation of Book Debt and Stock and all movable Fixed Assets.

For the channel financing facility sanctioned to the tune of INR 500 lacs, by IndusInd Bank, Irrevocable personal guarantees has been given by Promoters Harshad Patel, Jitendra Patel and Utkarsh Patel.

Details of current Asset statements filed with Banks/FI for FY 2021-22

| Particulars of Security | Name of bank | Quarter | Amount as per books | Amounts reported to Bank | Difference |
|-------------------------|---------------|---------|---------------------|--------------------------|------------|
| Finished Goods | | Q1 | 96.02 | 95.46 | 0.56 |
| Debtors | Deutsche/ | | 3,867.99 | 3,868.02 | (0.03) |
| Creditors | IndusInd Bank | | 122.18 | 108.38 | 13.80 |
| Finished Goods | | Q2 | 111.74 | 111.74 | - |
| Debtors | Deutsche/ | | 4,215.82 | 4,219.83 | (4.01) |
| Creditors | IndusInd Bank | | 170.93 | 179.40 | (8.47) |
| Finished Goods | | Q3 | 201.62 | 201.62 | - |
| Debtors | Deutsche/ | | 4,539.57 | 4,551.78 | (12.21) |
| Creditors | IndusInd Bank | | 237.23 | 280.31 | (43.08) |
| Finished Goods | | Q4 | 233.69 | 233.69 | - |
| Debtors | Deutsche/ | | 4,463.62 | 4,463.62 | - |
| Creditors | IndusInd Bank | | 303.89 | 303.89 | - |

Reason For Difference: The amounts provided to the bank are based on unaudited books of accounts, where as amounts reported above as per books are on the basis of audited books of accounts after providing provisions, debit and credit notes.

Details of current Asset statements filed with Banks/FI for FY 2020-21

| Particulars of Security | Name of bank | Quarter | Amount as per books | Amounts reported to Bank | Difference |
|-------------------------|--------------|---------|---------------------|--------------------------|------------|
| Finished Goods | | Q1 | 73.45 | 66.52 | 6.93 |
| Debtors | Deutsche | | 2,663.41 | 2,675.65 | (12.23) |
| Creditors | Bank | | 47.52 | 47.52 | - |
| Finished Goods | | Q2 | 101.04 | 96.21 | 4.83 |
| Debtors | Deutsche | | 2,849.75 | 2,849.80 | (0.05) |
| Creditors | Bank | | 92.28 | 92.28 | - |
| Finished Goods | | Q3 | 170.23 | 159.89 | 10.34 |
| Debtors | Deutsche | | 3,383.20 | 3,383.22 | (0.02) |
| Creditors | Bank | | 175.71 | 175.71 | - |
| Finished Goods | | Q4 | 189.88 | 189.88 | - |
| Debtors | Deutsche | | 3,750.44 | 3,753.78 | (3.34) |
| Creditors | Bank | | 70.28 | 70.28 | - |

Reason For Difference: The amounts provided to the bank are based on unaudited books of accounts, where as amounts reported above as per books are on the basis of audited books of accounts after providing provisions, debit and credit notes.

| 18 Trade Payables | (INR in Lacs) | |
|--|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Total outstanding dues of | | |
| -Micro, Small and Medium Enterprise | - | - |
| -Other than Micro, Small and Medium Enterprise | 303.89 | 138.52 |
| -Related Parties | - | - |
| Total | 303.89 | 138.52 |

| Trade Payable Ageing as at March 31, 2022 | | (INR in Lacs) | | | | |
|---|---------------------|--|-----------|-----------|-------------------|--------|
| Particulars | Not Due for payment | Outstanding for following periods from due date of payment | | | | |
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | - | - | - | - | - |
| Others | 281.50 | 12.51 | - | - | 9.88 | 303.89 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - | - |

| Trade Payable Ageing as at March 31, 2021 | | (INR in Lacs) | | | | |
|---|---------------------|--|-----------|-----------|-------------------|--------|
| Particulars | Not Due for payment | Outstanding for following periods from due date of payment | | | | |
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| MSME | - | - | - | - | - | - |
| Others | 124.68 | 0.78 | 3.18 | - | 9.88 | 138.52 |
| Disputed Dues- MSME | - | - | - | - | - | - |
| Disputed Dues- Others | - | - | - | - | - | - |

| 19 Other Current Liabilities | (INR in Lacs) | |
|---|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Statutory Dues | 15.66 | 9.96 |
| Advance from Customers | 321.82 | 60.04 |
| Provision for expenses & Discount obligations | 19.53 | 139.04 |
| Total | 357.01 | 209.04 |

| 20 | (INR in Lacs) | |
|--------------------------------|----------------|----------------|
| | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Current Tax Liabilities | | |
| Provision for Income Tax | 228.81 | 97.42 |
| Less: Advance Income Tax | 214.50 | 81.84 |
| Total | 14.31 | 15.58 |

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Note: 3A Property, Plant and Equipment
(INR in Lacs)

| Particulars | Furniture & Fixtures | Plant & Machinery | Tankers | Storage Tanks | Computers | Vehicles | Total |
|--|---------------------------------|------------------------------|-----------------|----------------------|------------------|-----------------|-----------------|
| Gross Carrying Value as on 01-04-2020 | 11.93 | 130.13 | 841.37 | 66.66 | 3.36 | 171.24 | 1,224.69 |
| Addition during the period | 0.39 | 2.12 | 592.31 | 51.42 | 1.82 | 23.18 | 671.24 |
| Acquisitions through Business Combinations | - | - | - | - | - | - | - |
| Changes due to Revaluation | - | - | - | - | - | - | - |
| Deduction during the period* | - | 1.55 | 53.78 | 0.62 | - | 7.79 | 63.74 |
| Gross Carrying Value as on 31-03-2021 | 12.32 | 130.70 | 1,379.90 | 117.46 | 5.18 | 186.63 | 1,832.19 |
| Addition during the period | - | 33.03 | 557.86 | 9.19 | 1.90 | 104.87 | 706.85 |
| Acquisitions through Business Combinations | - | - | - | - | - | - | - |
| Changes due to Revaluation | - | - | - | - | - | - | - |
| Deduction during the period** | - | 1.70 | 92.46 | - | - | - | 94.16 |
| Gross Carrying Value as on 31-03-2022 | 12.32 | 162.03 | 1,845.30 | 126.65 | 7.08 | 291.50 | 2,444.88 |
| Accumulated Depreciation as on 01-04-2020 | 1.38 | 10.98 | 174.37 | - | 1.02 | 28.71 | 216.46 |
| Addition during the period | 1.11 | 12.98 | 163.53 | 25.98 | 1.33 | 29.26 | 234.19 |
| Deduction during the period | - | 0.48 | 0.37 | - | - | 3.70 | 4.55 |
| Accumulated Depreciation as on 31-03-2021 | 2.49 | 23.48 | 337.53 | 25.98 | 2.35 | 54.27 | 446.10 |
| Addition during the period | 1.11 | 14.41 | 263.47 | 26.58 | 1.79 | 30.21 | 337.57 |
| Deduction during the period | - | 1.04 | 10.18 | - | - | - | 11.22 |
| Accumulated Depreciation as on 31-03-2022 | 3.60 | 36.85 | 590.82 | 52.56 | 4.14 | 84.48 | 772.45 |
| Net Carrying Value as at 31-03-2021 | 9.83 | 107.22 | 1,042.37 | 91.48 | 2.83 | 132.36 | 1,386.09 |
| Net Carrying Value as at 31-03-2022 | 8.72 | 125.18 | 1,254.48 | 74.09 | 2.94 | 207.02 | 1,672.43 |

* Retirement in tankers of Rs. 9.18 lacs includes transfer of storage tanks at WDV of Rs. 6.28 lacs. The same is disclosed as addition to Storage tanks.

** Retirement in tankers of Rs. 53.78 lacs includes transfer of storage tanks at WDV of Rs. 51.42 lacs. The same is disclosed as addition to Storage tanks.

Out of total nineteen vehicles, three two- wheelers and six cars are registered in the name of the Directors

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| Note: 3B Capital Work in Progress | INR in lacs |
|--|--------------------|
| Balance as at 01-04-2020 | 30.53 |
| Addition during the period | 59.63 |
| Capitalisation during the period | 80.95 |
| Balance as at 31-03-2021 | 9.20 |
| Addition during the period | - |
| Capitalisation during the period | - |
| Balance as at 31-03-2022 | 9.20 |

Balance of Capital Work in Progress represents heavy vehicles under fabrication.

CWIP Ageing Schedule

| Particulars | Amount in CWIP for Period of | | | | Total |
|--|-------------------------------------|------------------|------------------|--------------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Vehicles Under Fabrication ason 31 March, 2022 | - | 9.20 | - | - | 9.20 |
| Vehicles Under Fabrication ason 31 March, 2021 | 9.20 | | | | 9.20 |

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Note: 3C Intangibles (Goodwill)

Goodwill was recognised on succession of promoter's proprietary business by A-1 Acid Private Limited in 2004. It is tested for impairment at end of each reporting period and not amortised.

| Goodwill | INR in lacs |
|---------------------------------|--------------------|
| Balance as at 01-04-2020 | 31.00 |
| Impariment during the year | - |
| Balance as at 31-03-2021 | 31.00 |
| Impariment during the year | - |
| Balance as at 31-03-2022 | 31.00 |

| (INR in Lacs) | | |
|---------------|--|-------------------------|
| 4 | Investments | |
| | As at March 31, 2022 | As at March 31, 2021 |
| | Investment in partnership Firm | |
| | A-1 Sureja Industries | |
| | 247.04 | - |
| | For share of profit of A-1 Acid Limited and other partners (Refer note 4.c) | |
| | Total | 247.04 |

- With effect from August 21, 2021, the group has entered as 45% partner in A1 Sureja Industries (partnership firm). The firm is
- a mainly engaged in manufacturing of electric two wheelers and agricultural pumps.
- The amount invested in the firm has been disclosed as non current investment after adjusting its share of profit/(loss) in the firm
- b for post acquisition period, as per IND AS 28 Investments in Joint Ventures and Associates.

c Details of Profit and Loss sharing ratio of the Firm after stake acquisition is as disclosed below:

| Name of the Partners | As at March 31, 2022 | | As at March 31, 2021 | |
|----------------------|----------------------|-------------------|----------------------|-------------------|
| | Capital in the firm | Share of partners | Capital in the firm | Share of partners |
| A-1 Acid Ltd | 247.04 | 45% | - | - |
| Bharatbhai Patel | 5.29 | 1% | - | - |
| Hansa Patel | 21.21 | 4% | - | - |
| Harshad Patel | 151.76 | 50% | 182.39 | 50% |
| Divyesh Sureja | - | - | (20.30) | 10.00% |
| Gopal Sureja | - | - | 11.62 | 7.50% |
| Jayshree Sureja | - | - | (1.31) | 7.50% |
| Nirmala Sureja | - | - | (17.15) | 7.50% |
| Ramnik Sureja | - | - | (1.45) | 7.50% |
| Tushar Sureja | - | - | (22.14) | 10.00% |
| Total | 425.30 | 100% | 131.66 | 100% |

| (INR in Lacs) | | |
|---------------|---|-------------------------|
| 5 | Other Financial Assets (Non-Current) | |
| | As at March 31, 2022 | As at March 31, 2021 |
| | Unsecured, Considered Good | |
| | Security Deposits | |
| | 244.26 | 238.80 |
| | Bank Deposits having maturity of more than 12 months* | |
| | 202.00 | 1.00 |
| | Total | 446.26 |

*Fixed Deposit of Rs. 1 lac pledged as security deposit with Supritendent of Prohibition Department

| (INR in Lacs) | | |
|---------------|--------------------------------|-------------------------|
| 6 | Other Non-Current Assets | |
| | As at March 31, 2022 | As at March 31, 2021 |
| | Capital Advance for Vehicles | |
| | 21.51 | - |
| | Advance Payment of Income Tax | |
| | 98.55 | 107.04 |
| | Less: Provision for Income Tax | |
| | 94.08 | 103.24 |
| | Advance Tax (Net of Provision) | |
| | 4.47 | 3.80 |
| | Total | 25.98 |

| (INR in Lacs) | | |
|---------------|-------------------------|-------------------------|
| 7 | Inventories | |
| | As at March 31, 2022 | As at March 31, 2021 |

A-1 ACID LIMITED

| | | |
|----------------|---------------|---------------|
| Finished Goods | 233.69 | 189.88 |
| Total | 233.69 | 189.88 |

(INR in Lacs)

| 8 Trade Receivables (Unsecured) | As at March 31, 2022 | As at March 31, 2021 |
|---|---------------------------------|---------------------------------|
| Considered Good (Others) | 4,630.95 | 3,627.48 |
| Which have significant increase in Credit Risk | 154.48 | 122.96 |
| Sub Total | 4,785.43 | 3,750.44 |
| Less: Allowance for Expected Credit Loss | (154.48) | (122.96) |
| Total | 4,630.95 | 3,627.48 |

Trade Receivable Ageing as at March 31, 2022

(INR in Lacs)

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade Receivables Considered Good | | | | | | |
| -Undisputed Dues | 4,147.93 | 143.90 | 130.27 | 80.96 | 127.89 | 4,630.95 |
| -Disputed Dues | - | - | - | - | - | - |
| Trade Receivables Considered Doubtful | | | | | | |
| -Undisputed Dues | - | - | - | - | 154.48 | 154.48 |
| -Disputed Dues | - | - | - | - | - | - |
| Total | 4,147.93 | 143.90 | 130.27 | 80.96 | 282.37 | 4,785.43 |

Trade Receivable Ageing as at March 31, 2021

(INR in Lacs)

| Particulars | Outstanding for following periods from the date of transaction | | | | | Total |
|--|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Trade Receivables Considered Good | | | | | | |
| -Undisputed Dues | 3,158.35 | 131.78 | 129.92 | 19.99 | 187.44 | 3,627.48 |
| -Disputed Dues | - | - | - | - | - | - |
| Trade Receivables Considered Doubtful | | | | | | |
| -Undisputed Dues | - | - | - | - | 122.96 | 122.96 |
| -Disputed Dues | - | - | - | - | - | - |
| Total | 3,158.35 | 131.78 | 129.92 | 19.99 | 310.40 | 3,750.44 |

(INR in Lacs)

| 9 Cash and Cash Equivalent | As at March 31, 2022 | As at March 31, 2021 |
|--|---------------------------------|---------------------------------|
| Balances with Banks-In Current Account | 4.38 | 13.29 |
| -In Deposit Accounts with maturity of more than 12 months | 202.00 | 1.00 |
| Cash On Hand | 5.26 | 33.70 |
| Sub Total | 211.64 | 47.99 |
| Less: Bank Deposits having maturity of more than 12 months (Refer Note-4) | 202.00 | 1.00 |
| Total | 9.64 | 46.99 |

| (INR in Lacs) | | |
|----------------------------------|----------------|----------------|
| 10 Loans (Current) | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Loans Considered Good- unsecured | | |
| -Loan to Body Corporate | 0.92 | 71.64 |
| Total | 0.92 | 71.64 |

| (INR in Lacs) | | |
|-------------------------------------|----------------|----------------|
| 11 Other Financial Assets (Current) | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Advance to Contracted Labour | 0.61 | 0.36 |
| Interest Receivable on Deposits | 0.09 | 1.59 |
| Total | 0.70 | 1.95 |

No loans and advances are granted to promoters, directors, KMPs and the related parties (as defined under the Act), either severally or jointly with any other person.

| (INR in Lacs) | | |
|------------------------------------|----------------|----------------|
| 12 Other Current Assets | As at | As at |
| | March 31, 2022 | March 31, 2021 |
| Prepaid Expenses | 26.86 | 23.44 |
| Balance with Statutory Authorities | 104.07 | 60.40 |
| Contractual Discount receivable | 286.37 | 267.32 |
| Advance to Suppliers | 236.01 | 142.51 |
| Insurance Claim Receivable | 8.50 | - |
| Total | 661.81 | 493.67 |

| | | (INR in Lacs) | |
|----|-------------------------|---------------------------------|---------------------------------|
| 21 | Revenue From Operations | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| | Sale of Goods* | 29,911.64 | 13,982.92 |
| | Sale of Service | 1,124.40 | 535.43 |
| | Total | 31,036.04 | 14,518.35 |

* Sale of Goods is net of Discounts given and Rates difference (Rs. 716.88 lacs and Rs. 3.38 lacs respectively for year ended on 31.3.2022 & Rs. 529.04 lacs and Rs 3.94 lacs respectively for year ended on 31.3.2021)

| | | (INR in Lacs) | |
|--|---|---------------------------------|---------------------------------|
| | Sale of Goods (exclusive of Discount and Rate Difference) Comprise of | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| | Acetic Acid | 2,145.84 | 309.70 |
| | Hydrochloric Acid | 147.64 | 480.06 |
| | T.G.Urea | 6,632.11 | 2,465.59 |
| | Concentrated Nitric Acid | 5,149.86 | 2,134.19 |
| | Nitric Acid | 1,040.99 | 1,185.26 |
| | Ethly Acetate | 2,103.65 | 820.63 |
| | Sulphuric Acid | 798.59 | 1,354.25 |
| | WNA 61% & 61.5% | 8,629.43 | 3,811.20 |
| | WNA 68% | 321.51 | 234.61 |
| | WNA 72% | 833.71 | 510.68 |
| | WNA 18% to 40% | 1,404.84 | 122.26 |
| | Nitro Benzene | 11.86 | 42.49 |
| | Methanol | 624.84 | 618.95 |
| | Others | 820.37 | 457.58 |
| | Less: Sales Returns | (33.34) | (31.55) |
| | Less: Discounts and Rate difference | (720.26) | (532.98) |
| | Total | 29,911.64 | 13,982.92 |

| | Sale of Service Comprise of | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|--|-----------------------------|---------------------------------|---------------------------------|
| | Transport Receipts | 1,124.40 | 535.43 |

| | | (INR in Lacs) | |
|----|---|---------------------------------|---------------------------------|
| 22 | Other Income | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| | Interest Income | | |
| | -From Bank | 2.23 | 0.06 |
| | -From Others | 10.26 | 19.43 |
| | Lifting Income* | 386.43 | 335.25 |
| | Commission | - | 15.45 |
| | Gain on Sale of Property, Plant and Equipment | - | 11.19 |
| | Miscellaneous Income | 1.89 | 3.68 |
| | Total | 400.81 | 385.06 |

* Lifting income is incentive or income earned by the company for taking/lifting excess HCL stock/production from manufacturing units. Such income is booked net of incentive passed on to vendors.

| | | (INR in Lacs) | |
|----|---|----------------|----------------|
| 23 | Changes in Inventory of Finished Goods | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Inventories at the end of the year | | |
| | Finished Goods | 233.69 | 189.88 |
| | Inventories at the beginning of the year | | |
| | Finished Goods | 189.88 | 109.79 |
| | Net (Increase)/Decrease | (43.81) | (80.09) |
| | | (INR in Lacs) | |
| 24 | Employee Benefit Expenses | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Salary, wages and Bonus | 86.75 | 69.18 |
| | Managerial Remuneration | 156.36 | 156.36 |
| | Staff Welfare | 3.16 | 4.64 |
| | Director's Insurance Premium | 9.76 | 7.18 |
| | Total | 256.03 | 237.36 |
| | | (INR in Lacs) | |
| 25 | Finance Cost | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Interest Cost | | |
| | -On Vehicle Loans | 45.37 | 43.29 |
| | -On Working Capital Loan | 69.83 | 17.36 |
| | -On Statutory Dues | 0.96 | 7.21 |
| | Other Borrowing Cost | 4.50 | 4.21 |
| | Total | 120.66 | 72.07 |
| | | (INR in Lacs) | |
| 26 | Other Expenses | Year ended on | Year ended on |
| | | March 31, 2022 | March 31, 2021 |
| | Administration Expense | | |
| | Duties & Taxes | 1.81 | 14.14 |
| | Insurance Expense | 23.19 | 25.58 |
| | Water, Fuel & Electricity Expense | 21.92 | 14.17 |
| | Stationery & communication expenses | 2.26 | 4.85 |
| | Repairs and Maintenance | | |
| | Office | 5.47 | 7.64 |
| | Office Equipments | 7.01 | 1.38 |
| | Computer | 0.65 | 0.88 |
| | Vehicles | 10.10 | 13.75 |
| | | 23.23 | 23.65 |
| | Auditor's Remuneration | 2.53 | 1.00 |
| | Bad debts written off | 24.47 | 20.99 |
| | Provision for Bad Debts written back | (24.47) | (20.99) |
| | Provision for Bad Debts | 56.00 | 11.32 |
| | Director Sitting Fees | 0.99 | 0.75 |
| | Legal & Professional Expense | 43.27 | 17.37 |
| | Rent Expense | 98.80 | 96.21 |
| | Travelling Expense | 1.75 | 1.47 |
| | Donation | 0.12 | 0.13 |
| | Corporate Social Responsibility Expenses | - | 2.50 |
| | Penalty | 2.38 | 2.23 |
| | Loss on Sale of Property, Plant and Equipment | 5.15 | - |

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| | | |
|---|---------------|---------------|
| Miscellaneous Expenses | 14.04 | 15.55 |
| Selling & Distribution Expense | | |
| Sales Promotion Expenses | 14.45 | 12.79 |
| Distribution expense | 3.31 | 4.07 |
| Sales Commission | 117.68 | 64.53 |
| Advertisement Expenses | 0.90 | 0.67 |
| Total | 433.78 | 312.98 |

| 26.1 Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
|--------------------------------------|---|---|
| Payment to Statutory Auditors | | |
| For Audit Fees | 2.50 | 1.00 |
| For Certification | 0.03 | |
| Total | 2.53 | 1.00 |

| | | (INR in Lacs) |
|-----------------------------------|---|---|
| 27 Tax Expense | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| Current Tax Provision | 228.81 | 97.42 |
| Tax for earlier years | - | 4.77 |
| Deffered Tax (Also Refer Note 16) | (10.96) | 40.26 |
| Total | 217.85 | 142.44 |

| Income Tax Expense Reconciliation | | |
|--|---|---|
| Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| Profit Before Tax | 862.98 | 415.47 |
| Tax Expense at applicable Tax rate (25.17%) | 217.21 | 104.57 |
| Permanent Differences | 4.32 | 33.10 |
| Adjustment recognised in the current year in relation to prior years expense | - | 4.77 |
| Total | 221.53 | 142.44 |
| Effective Tax Rate | 26% | 34% |

| Earning Per Share (EPS) | | | |
|--------------------------------|---|---|---|
| 28 | Particulars | Year ended on March 31, 2022 | Year ended on March 31, 2021 |
| | Profit Attributable to Equity Shareholders from Continuing Operations (Profit After Tax) | 630.52 | 273.02 |
| | Weighted Average shares used for calculating for EPS | 115.00 | 115.00 |
| | Face Value of each Share | 10.00 | 10.00 |
| | Basic & Diluted Earnings per share | 5.48 | 2.37 |

As per INDAS-33, the EPS has been restated for previous year due to take impact of issue of bonus shares during the year.

| Contingent Liabilities | | (INR in Lacs) | |
|-------------------------------|--|---------------------------------|---------------------------------|
| 29 | Particulars | As at March 31, 2022 | As at March 31, 2021 |
| | Contingent Liability not provided for claims against the Company not acknowledged as debt | | |
| | Bank Guarantee for Performance and Earnest money | 4.28 | - |
| | Estimated amount of contracts remaining to be executed on Capital Account. | - | - |

A-1 ACID LIMITED
30 Related Party Disclosures
a Subsidiary/ Joint Venture/ Associate

| Name of the Entity | Type |
|-----------------------|-----------|
| A-1 Sureja Industries | Associate |

b Key Management Personnel and relatives

| Name of Key Managerial | Designation |
|--|--|
| Harshad N. Patel | Chairman & Managing Director |
| Jitendra N. Patel | Whole Time Director |
| Helly H. Patel (Resigned w.e.f July 09, 2021) | Director |
| Krishna U. Patel | Director |
| Utkarsh H. Patel (Reappointed w.e.f August 06, 2021) | Whole Time Director |
| Himanshu Thakkar | CFO |
| Aanal Patel | Company Secretary |
| Chirag Rajnikant Shah | Independent Director |
| Lajju Hemang Shah | Independent Director |
| Nitinbhai Rikhavbhai Shah | Independent Director |
| Hansaben Patel (Resigned w.e.f. July 09, 2021) | Independent Director |
| Suresh Somnath Dave (Appointed w.e.f January 27, 2022) | Independent Director |
| Name of Relatives | Relation |
| Ritaben H Patel | Wife of Chairman |
| Binduben J Patel | Wife of Whole Time Director |
| Jitendra N Patel | Whole time Director |
| Krishnaben N Patel | Mother of Whole Time Director and Chairman |

c Entities controlled by Directors/ Relative of Directors

Express Chemical Corporation
Avkar Chemical Industries
Numeron Multicuisine Restaurant

Material Transactions with Related Parties
(INR in Lacs)

| Name of Related Party | Remuneration | Director Sitting Fees | Sales Promotion | Rent Paid | Investment | Share of Profit/(Loss) from an Associate | Outstanding Balance March 31, 2021 | March 31, 2022 |
|-----------------------|------------------|-----------------------|-----------------|------------------|------------|--|------------------------------------|----------------|
| Harshadkumar N Patel | 66.12 (66.00) | - | - | 29.57 (30.00) | | | - | - |
| Jitendra N.Patel | 48.12 (48.12) | - | - | 31.16 (32.09) | | | - | - |
| Utkarsh H.Patel | 42.12 (42.12) | - | - | - | | | - | - |
| Krishnaben N.Patel | - | - | - | 16.91 (16.91) | | | - | - |
| Binduben J.Patel | - | - | - | 8.45 (8.45) | | | - | - |
| Ritaben H.Patel | - | - | - | 8.45 (8.45) | | | - | - |
| Himanshu Thakkar | 10.40 (7.20) | - | - | - | | | - | - |
| Aanal Patel | 1.80 (1.80) | - | - | - | | | - | - |
| Chirag Rajnikant Shah | - | 0.33 (0.15) | - | - | | | - | - |
| Lajju Hemang Shah | - | 0.33 (0.18) | - | - | | | - | - |
| Urvish Ratilal Patel | - | - (0.09) | - | - | | | - | - |

A-1 ACID LIMITED

| | | | | | | | | |
|---------------------------------|----------------------------------|------------------------------|------------------------------|--------------------------------|---------------------------|----------------------------|---------------------------|-------------------------|
| Nitinbhai Rikhavbhai Shah | - | 0.33 (0.09) | - | - | - | - | - | - |
| Hansaben Patel | - | - (0.24) | - | - | - | - | - | - |
| Numeron Multicuisine Restaurant | - | - | 0.22 (1.14) | - | - | - | 0.14 | - |
| A-1 Sureja Industries | | | | | 261.65 | (14.61) | 247.04 | |
| | | | | | - | - | - | |
| Total | 168.56 (165.24) | 0.99 (0.75) | 0.22 (1.14) | 94.54 (95.90) | 261.65 - | (14.61) - | 247.04 - | 0.14 - |

Previous Years figures for transactions are mentioned in brackets

31 Fair Value Measurements

Financial Instrument by their category and their fairvalue

(INR in Lacs)

| As at March 31, 2022 | Carrying Value | | | | Fair Value | | | |
|------------------------------------|----------------|-------|-----------------|-----------------|------------|---------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | | | | |
| Trade Receivables | - | - | 4,630.95 | 4,630.95 | - | - | 4,630.95 | 4,630.95 |
| Cash & Cash Equivalents | - | - | 9.64 | 9.64 | - | - | 9.64 | 9.64 |
| Loans | - | - | 0.92 | 0.92 | - | - | 0.92 | 0.92 |
| Other Financial Assets | | | | | | | | |
| Non Current | | | 446.26 | 446.26 | - | - | 446.26 | 446.26 |
| Current | - | - | 0.70 | 0.70 | - | - | 0.70 | 0.70 |
| Total Financial Assets | - | - | 5,088.47 | 5,088.47 | - | - | 5,088.47 | 5,088.47 |
| Financial Liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Non Current | - | - | 545.33 | 545.33 | - | - | 545.33 | 545.33 |
| Current | - | - | 2,052.52 | 2,052.52 | - | - | 2,052.52 | 2,052.52 |
| Trade Payables | - | - | 303.89 | 303.89 | - | - | 303.89 | 303.89 |
| Total Financial Liabilities | - | - | 2,901.74 | 2,901.74 | - | - | 2,901.74 | 2,901.74 |

| As at March 31, 2021 | Carrying Value | | | | Fair Value | | | |
|------------------------------------|----------------|-------|-----------------|-----------------|------------|---------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | | | | |
| Trade Receivables | - | - | 3,627.48 | 3,627.48 | - | - | 3,627.48 | 3,627.48 |
| Cash & Cash Equivalents | - | - | 46.99 | 46.99 | - | - | 46.99 | 46.99 |
| Loans | - | - | 71.64 | 71.64 | - | - | 71.64 | 71.64 |
| Other Financial Assets | - | - | - | - | - | - | - | - |
| Non-Current | - | - | 239.80 | 239.80 | - | - | 239.80 | 239.80 |
| Current | - | - | 1.95 | 1.95 | - | - | 1.95 | 1.95 |
| Total Financial Assets | - | - | 3,987.86 | 3,987.86 | - | - | 3,987.86 | 3,987.86 |
| Financial Liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Non Current | - | - | 364.75 | 364.75 | - | - | 364.75 | 364.75 |
| Current | - | - | 1,296.62 | 1,296.62 | - | - | 1,296.62 | 1,296.62 |
| Other Financial Liabilities | - | - | - | - | - | - | - | - |
| Trade Payables | - | - | 138.52 | 138.52 | - | - | 138.52 | 138.52 |
| Total Financial Liabilities | - | - | 1,799.89 | 1,799.89 | - | - | 1,799.89 | 1,799.89 |

The above fair value hierarchy explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed in the Consolidated financial statements. To provide the indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments in to three levels prescribed is as under:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

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)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

There were no transfers between the levels during the year

Valuation Process

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The carrying amount of trade receivable, trade payable, cash and bank balances, short term loans and advances, statutory/ receivable, short term borrowing, employee dues are considered to be the same as their fair value due to their short-term nature.

32 Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- I Credit Risk
- II Liquid Risk
- III Market Risk

Risk Management Framework

The Groups's risk management is governed by policies and approved by the board of directors. The group has policies for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and market risk.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

I Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group maintain its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis. "The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. "On account of the adoption of Ind AS 109, the company uses ECL model to assess the impairment loss or gain. The group uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the company's experience for customers.

The Group reviews trade receivables on periodic basis and makes provision for doubtful debts if collection is doubtful. The Group also calculates the expected credit loss (ECL) for non-collection of receivables. The Group makes additional provision if the ECL amount is higher than the provision made for doubtful debts. In case the ECL amount is lower than the provision made for doubtful debts, the Group retains the provision made for doubtful debts without any adjustment.

The movement in allowances for doubtful accounts comprising provision for both non-collection of receivables and delay in collection is as follows:

| (INR in Lacs) | | |
|---|-----------------------------|-----------------------------|
| Movement in allowance for bad and doubtful debts | As at March 31, 2022 | As at March 31, 2021 |
| Balance at beginning of the year | 122.96 | 132.63 |
| Add: Allowance made during the year | 56.00 | 11.32 |
| Less: Reversal of allowance made during the year | 24.47 | 20.99 |
| Balance at end of the year | 154.49 | 122.96 |

II Liquid Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

i) Exposure to Liquid Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

| (INR in Lacs) | | | | | | |
|------------------------------------|------------------------|------------------------------|------------------|------------------|--------------------|-----------------|
| As at March 31, 2022 | Carrying Amount | Contractual Cashflows | | | | |
| | | <1 year | 1-2 Years | 3-5 years | >5 years | Total |
| Financial Liabilities | | | | | | |
| Borrowings | | | | | | |
| Non Current | 545.33 | 244.06 | 285.11 | 16.16 | - | 545.33 |
| Current | 2,052.52 | 2,052.52 | - | - | - | 2,052.52 |
| Other Financial Liabilities | | | | | | |
| Trade Payables | 303.89 | 303.89 | - | - | - | 303.89 |
| Total Financial Liabilities | 2,901.74 | 2,600.47 | 285.11 | 16.16 | - | 2,901.74 |

(INR in Lacs)

| As at March 31, 2021 | Carrying Amount | Contractual Cashflows | | | | |
|------------------------------------|-----------------|-----------------------|---------------|---------------|----------|-----------------|
| | | <1 year | 1-2 Years | 3-5 years | >5 years | Total |
| Financial Liabilities | | | | | | |
| Borrowings | | | | | | |
| Non Current | 364.75 | - | 252.70 | 112.35 | - | 365.05 |
| Current | 1,296.62 | 1,296.62 | - | - | - | 1,296.62 |
| Other Financial Liabilities | | | | | | - |
| Trade Payables | 138.52 | 138.52 | - | - | - | 138.52 |
| Total Financial Liabilities | 1,799.89 | 1,435.14 | 252.70 | 112.35 | - | 1,800.19 |

III Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three type of risks:

a) Currency Risk

As Group has neither incurred any foreign currency transaction during the year nor it has any outstanding receivable or payable in foreign currency, it doesnot assume any currency risk.

b) Interest Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

i) Exposure to interest rate risk (INR in Lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------------|----------------------------|
| Fixed Rate Instruments | | |
| Financial Liabilities | | |
| Non Current | 545 | 183 |
| Current | 376 | 272 |
| Total (A) | 921 | 455 |
| Variable Rate Instruments | | |
| Financial Liabilities | | |
| Non Current | - | 182 |
| Current | 1,677 | 1,024 |
| Total (B) | 1,677 | 1,206 |
| Total Borrowings (A+B) | 2,598 | 1,661 |
| % of Borrowings bearing Variable inter | 65% | 73% |

ii) Interest Rate Sensitivity

| Particulars | 2021-22 | 2020-2021 |
|--|---------|-----------|
| 50bp increase would decrease the Profit Before Tax b | 8 | 6 |
| 50bp decrease would increase the Profit Before Tax b | 8 | 6 |

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iii) Price Risk

As on March 31, 2022, the group has no exposure on security price Risks.

33 Capital management

"The Groups's capital management is intended to maximise the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Group; and reduce the cost of capital through the optimization of the capital structure i.e. the debt and equity balance." "The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company."

The gearing ratio at the end of the reporting period is as follows:

| Particulars | (INR in Lacs) | |
|--------------------------|----------------------------|----------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Debt | 2,598 | 1,661 |
| Cash & Bank Balances | (212) | (48) |
| Net Debt | 2,386 | 1,613 |
| Equity | 4,651 | 4,021 |
| Net Debt to Equity Ratio | 51% | 40% |

34 Expenditure on Corporate Social Responsibility activities

- a) Gross amount required to be spent by the Group during the year FY 21-22 was NIL (P.Y. NIL) under section 135 of the Companies Act, 2013. Unspent amount Of Rs. 3 lacs to be utilised in FY 19-20 has been utilised in FY 20-21
- b) Details of Expenditure on CSR is as below:

| Particulars | For the year ended March 31,2022 | | | For the year ended March 31,2021 | | |
|---------------------------------------|----------------------------------|------------------------|-------|----------------------------------|------------------------|-------|
| | Paid in cash | Yet to be Paid in cash | Total | Paid in cash | Yet to be Paid in cash | Total |
| (i) Construction/Acquisition of Asset | - | - | - | - | - | - |
| (ii) purpose other than (i) above | - | - | - | 3 | - | 3 |

35 Segment Information

There are no separate reportable segments as per IND AS 108 as the entire operations of the Company relate to single segment viz. Trading of Acids and Chemicals.

36 Ministry of Corporate Affairs notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23,2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st 2022, as below:

IND AS 103- Reference to Conceptual Framework

IND AS 16- Proceeds from Intended Use

IND AS 37- Costs of fulfilling a Contract

IND AS 109- Annual Improvements to IND AS (2021

IND AS 106- Annual Improvements to IND AS (2021

The Group has evaluated the amendments and there is no material impact of these amendments on Consolidated financial Statements.

37 Additional Regulatory Information

| | | | | | | |
|---|--------|-----------|-------------|---------------|---------------|----------|
| a | Ratios | Numerator | Denominator | 31.3.22 Ratio | 31.3.21 Ratio | Variance |
|---|--------|-----------|-------------|---------------|---------------|----------|

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| | | | | | |
|---|--|------------------------------|--------|-------|------|
| (i) Current Ratio | Current Assets | Current Liabilities | 2.03 | 2.67 | -24% |
| (ii) Debt-Equity Ratio ⁽¹⁾ | Total Debt | Shareholder's Equity | 0.56 | 0.52 | 8% |
| (iii) Debt Service Coverage Ratio (2) | Earnings available for Debt Servicing | Total Debt service | 2.69 | 1.65 | 63% |
| (iv)Return on Equity Ratio (%) | Profit After Taxes | Average Shareholder's Equity | 13.87% | 6.79% | 104% |
| (v)Inventory turnover ratio (in days) | Cost of Goods Sold | Average Inventory | 2.77 | 3.77 | -26% |
| (vi)Trade Receivables turnover ratio (In days) | Revenue from Operations | Average Trade Receivables | 50.19 | 76.69 | -35% |
| (vii)Trade payables turnover ratio (In days) | Purchase of Goods & services and Other expense | Average Trade Payables | 2.70 | 2.15 | 25% |
| (viii) Net Capital turnover | Revenue from Operations | Working Capital | 11.04 | 5.24 | 111% |
| (vii)Net Profit Ratio | Net Profit After Taxes | Revenue from Operations | 2% | 2% | - |
| (viii)Return on Capital Employed ⁽³⁾ | Earning Before Interest and Tax | Capital Employed | 0.13 | 0.08 | 62% |
| (ix)Return on Investment | Income from Investments | Cost of Investment | - | NA | |

1 Total Debt = Current Borrowings + Non Current Borrowings

2 Earnings available for Debt Servicing= Net profit before taxes+ Interest+ Depreciation+ adjustment for non operational income/expenses

3 Capital Employed= Tangible Networth + Total Debt+ Deferred Tax Liability

4 Working Capital= Current Assets- current liabilities

Reason For Variance above 25% in ratios

1 Return on Equity, , Debt Service Coverage Ratio & Return on Capital Employed Ratio: The Return ratios have improved on account of increased profitability vis a vis last year

2 Net Capital Turnover:The ratio has improved on account of increased profitability and revenue from operations vis a vis last year

3 Inventory Turnover, Trade Payable & Receivable Turnover Ratio: The ratios have improved on account of efficient working capital cycle management

b The group has complied with the number of layers prescribed under clause (87)of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

c Group has no balance outstanding for transactions done with the Companies Struck Off either under section 248 of the Act or under Section 560 of Companies act 1956.

d No undisclosed Income is voluntarily disclosed under any scheme identified by Income tax authorities under any tax assessments under the Income Tax Act.

e The Group has neither traded nor invested in crypto currency during the financial year.

f No Proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

g The Group donot have charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

h The Group is not declared as willful defaulter by any bank or Financial Institution or other lender.

i Utilisation of Borrowed funds and Share Premium

a) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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b) During the year, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 Approval of Consolidated Financial Statements

The Consolidated financial statements are approved for issue by Audit Committee and Board of Directors at their meetings held on May 10, 2022

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The figures of previous year have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

The notes on account form integral part of the financial Statement 1 to 39

As per our Report of even date attached

For, Riddhi P. Sheth & Co.

Chartered Accountants

Firm egistration No. : 140190W

Sd/-

Riddhi P.Sheth

Proprietor

Membershi .No.159123

Place : Ahmedabad

Date: May 10, 2022

For and on Behalf of Board

Sd/-

Harshadkumar Patel

**Chairman & Managing
(DIN: 00302819)**

Sd/-

Himanshu Thakkar

CFO

Place : Ahmedabad

Date: May 10, 2022

Sd/-

Jitendra Patel

**Whole Time Director
(DIN: 00164229)**

Sd/-

Aanal Patel

Company Secretary

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Equity Shares of our Company is listed on BSE Limited. Equity Shares are actively traded on BSE Limited, the Company's stock market data have been given below based on the closing prices on BSE Limited.

- I. The following table set forth the reported high, low and average market prices and trading volumes of Equity Shares recorded on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Years ended March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022.

| Fiscal Year | High (Rs.) | Date of High | Number of Equity Shares traded on the date of high | Low (Rs.) | Date of Low | Number of Equity Shares traded on the date of Low | Average price for the year/ period (*) (Rs.) |
|------------------------------------|------------|-------------------|--|-----------|--------------------|---|--|
| October 08, 2018 to March 31, 2019 | 63.7 | December 04, 2018 | 8000 | 52 | January 22, 2019 | 32000 | 60.41 |
| April 01, 2019 to March 31, 2020 | 62.2 | July 29, 2019 | 6000 | 48.35 | September 03, 2019 | 12000 | 59.096 |
| April 01, 2020 to March 31, 2021 | 100.5 | March 31, 2021 | 12000 | 52 | May 18, 2020 | 10000 | 67.23 |
| April 01, 2021 to March 31, 2022 | 260.9 | March 31, 2022 | 1725 | 97 | April 01, 2021 | 8000 | 171.47 |

Source: www.bseindia.com

* Arithmetic average of closing prices of all trading days during the said period

Notes:

1. Our Company's shares commenced trading on BSE Limited on October 08, 2018 for the first time.
2. High, low and average prices are based on the daily high, low and closing prices respectively.

- II. The details relating to the high and low prices recorded on the stock exchanges for the year preceding the date of filing of this Information Memorandum are stated below:

| Period | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2021 | 111.00 | 97.00 |
| May 2021 | 113.10 | 103.05 |
| June 2021 | 128.00 | 107.00 |
| July 2021 | 165.00 | 113.10 |
| August 2021 | 202.40 | 147.00 |
| September 2021 | 205.00 | 180.00 |
| October 2021 | 203.05 | 164.00 |
| November 2021 | 191.00 | 133.55 |
| December 2021 | 195.90 | 169.00 |
| January 2022 | 228.00 | 182.00 |
| February 2022 | 228.00 | 205.75 |
| March 2022 | 260.90 | 205.55 |
| April 2022 | 267.00 | 254.00 |
| May 2022 | 283.70 | 246.00 |
| June 2022 | 296.75 | 271.00 |

Source: www.bseindia.com

SECTION VI-LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last three financial years immediately preceding the date of filing of this Information Memorandum; or (v) other pending litigations, as determined to be material by our Board of Directors involving our Company, its Directors and its Promoters (“Relevant Parties”).

Our Board, in its meeting held on June, 1st 2018 has inter-alia adopted the Materiality Policy for purposes of disclosure of litigations involving the Relevant Parties and material Group Company in the Information Memorandum. In terms of the Materiality Policy, for the purpose of item (v) above, the outstanding litigations/arbitrations involving Relevant Parties and material Group Company shall be considered material if (i) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess Rs. 20 million or 5% (five percent) of the net profits after tax of the Company for the most recent audited fiscal period whichever is higher and (ii) such pending cases are material from the perspective of the Issuer’s business, operations, prospects or reputation.

As per the Materiality Policy adopted by the Board of our Company in its meeting held on June, 1st 2018, creditors of our Company to whom an amount in excess of 5% of consolidated trade payables as per the last consolidated audited financial statements of the Issuer is due, were considered ‘material’ creditors. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at www.a1acid.com.

Our Company, Directors and Promoters have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

All terms defined in a particular litigation pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Information Memorandum.

As on date there are no Contingent Liabilities of the Company as per the financial accounts of the Company as on March 31, 2021.

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1) Criminal matters

Nil

2) Litigation Involving Actions by Statutory/Regulatory Authorities

Nil

3) Litigation involving Tax Liabilities

Cases pending with Tax Authorities

Nil

4) Other Pending Litigations

Nil

B. CASES FILED BY OUR COMPANY

1) Criminal matters

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities: NIL

(ii) Indirect Taxes Liabilities: NIL

4) Other Pending Litigations

NIL

LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)

A. LITIGATION AGAINST OUR DIRECTORS

1) Criminal matters

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities: NIL

(ii) Indirect Taxes Liabilities: NIL

4) Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1) Criminal matters

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities: NIL

(ii) Indirect Taxes Liabilities: NIL

4) Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1) Criminal matters

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities: NIL

(ii) Indirect Taxes Liabilities: NIL

4) Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1) Criminal matters

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities: NIL

(ii) Indirect Taxes Liabilities: NIL

4) Other Pending Litigations

NIL

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

Material Fraud against our Company in the last 5 (five) years

There has been no material fraud committed against our Company in the last 5 (five) years.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Information Memorandum for the Company for default or outstanding defaults.

Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as on Financial Year ended March 31, 2022.

Outstanding dues to creditors

As per the Materiality Policy, our Board has approved that each creditor, to whom our Company individually owes a net aggregate amount that exceeds 5% of the trade payables as per the Restated Financial Statements for the most recent financial year, shall be considered as a material creditor of our Company. Our Board has also approved that dues owed by our Company to small scale undertakings as per the Restated Financial Statements for the most recent financial year shall be disclosed in a consolidated manner.

As of March 31, 2022, our Company, in its ordinary course of business, has an aggregate amount of Rs.303.89 Lakhs, which is due towards sundry and other creditors. As per the above policy, consolidated information of outstanding dues, as at March 31, 2022, owed to small scale undertakings, material dues to creditors and other dues to creditors separately, giving details of number of cases and aggregate amount for such dues is as under:

| Particulars | Number of Cases | Amount Outstanding (Rs. In Lakhs) |
|----------------------------------|-----------------|-----------------------------------|
| Dues to small scale undertakings | - | - |
| Material dues to creditors | 1 | 303.89 |
| Total | | 303.89 |

For further details, please see the website of the Company at www.a1acid.com

Information provided on the website of our Company is not a part of this Information Memorandum and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed elsewhere in this Information Memorandum, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for their present business (as applicable on date of this Information Memorandum) and except as mentioned below, no further approvals are required for carrying on present business. In view of the approvals listed below, our Company can undertake our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entities are required to be undertaken in respect of the our current business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our Company's financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Information Memorandum.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State laws for carrying out business.

Approvals In Relation To Our Company:

The approvals required to be obtained by our Company include the following:

I. Approvals for Migration to Main Board of BSE LTD

1. The Board of Directors have, pursuant to resolution passed at its meeting held on January 27, 2022, authorised the Migration to Main Board of BSE Ltd subject to approval by the shareholders of the Company as per SEBI (ICDR) Regulations and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Postal Ballot Resolution dated March 07, 2022 under SEBI (ICDR) Regulations, authorised the Migration from SME platform of BSE Ltd to the Main Board of BSE Ltd.

II. Corporate / General Authorizations

| Sr. No. | Authorization granted | Issuing Authority | Registration No./Reference No./License No. | Applicable Act/Regulation | Date of Issue | Valid up to |
|---------|---|---|--|---------------------------|------------------|-----------------------|
| 1. | Certificate of Incorporation in the name of "A-1Acid Private Limited" | Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli | U24119GJ2004P TC044011 | Companies Act, 1956 | April 22, 2004 | Valid until cancelled |
| 2. | Fresh Certificate of Incorporation in the name of "A-1Acid Limited" | Assistant Registrar of Companies, Gujarat | U24119GJ2004P LC044011 | Companies Act, 1956 | January 29, 2018 | Valid until cancelled |

III. Business Related Approvals




| Sr. No. | Authorization Granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue / Renewal / Effective Date | Validity |
|---------|--|----------------------------|--|--|--------------------------|
| 1. | Permanent Account Number | Income Tax Department, GoI | AAECA6907F | - | Valid until cancellation |
| 2. | Tax Deduction Account Number (TAN) | Income Tax Department, GoI | AHMA04063D | - | Valid until cancellation |
| 3. | Goods and Service tax registration (GSTIN) | Government of India | 24AAECA6907F1ZY | April 12, 2018 | Valid until cancellation |

| | | | | | |
|----|--|---|--------------------------|------------------|--------------------------|
| 4. | Certificate under Amdavad Municipal Corporation, Shops and Commercial Establishments Acts, 1948 for premises at A-1, Shivalik Business Center, B/h Rajpath Club, S.G Highway, Bodakdev, Ahmedabad-380054 | Deputy Municipal Commissioner , Amdavad Municipal Corporation, Shops And Commercial Establishments Acts, 1948 | PII/GRDW/2900004/0212617 | January 10, 1979 | December 31, 2022 |
| 5. | Certificate under Amdavad Municipal Corporation, Professional Tax Department (EC) | Assistant Manager | PEC010676002150 | April 09, 2018 | Valid until cancellation |
| 6. | Certificate under Amdavad Municipal Corporation, Professional Tax Department (RC) | Assistant Manager | PRC010676000487 | April 09, 2018 | Valid until cancellation |
| 7 | Poison license under section 2 of the Poisons Act, 1919 | Joint Commissioner of police | License No. 286/VATVA | August 8, 2021 | August 09, 2022 |
| 8 | Methyl Alcohol under Bombay prohibition Act, 1949 | Licensing Authority | License no. 03/2017-2019 | April 01, 2020 | March 31, 2024 |

IV. Intellectual property registrations

Trademarks applied in the name of Our Company

Our Company has obtained the following registrations under the Trademark Act 1999 and Trademark Rule 2003. The Status of our application is as under:

| Sr. No. | Trademark | Trademark Type | Class | Applicant | Application number | Application Date | Registration status |
|---------|---|----------------|-------|------------------|--------------------|------------------|---------------------|
| 1 |  | Device | 39 | A-1 Acid Limited | 3695719 | 05/12/2017 | Registered |
| 2 |  | Device | 1 | A-1 Acid Limited | 3695717 | 05/12/2017 | Opposed |
| 3 |  | Device | 1 | A-1 Acid Limited | 3942020 | 11/09/2018 | Applied |

SECTION VII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Migration to Main Board

Our Board of Directors have vide resolution dated January 27, 2022 authorized the proposal for Migration from SME Platform to Main Board of BSE Limited subject to the approval by the shareholders of our Company in accordance with SEBI (ICDR) Regulations, 2018 and other applicable provisions.

Our shareholders have pursuant to Postal Ballot resolution dated March 07, 2022, under SEBI (ICDR) Regulations, 2018, authorised the proposal for Migration from SME Platform to Main Board of BSE Limited.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

We further confirm that none of our Company, its Promoters, relatives of Promoters (as defined under Companies Act, 2013) its Directors and its Group Companies have been identified as wilful defaulters by the RBI or other authorities.

Directors associated with Securities Market

None of our Directors are, in any manner, associated with the securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against the Directors of our Company in the five years preceding the date of this Information Memorandum.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Information Memorandum.

Further, in view of the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 08/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India (“MCA”), our Company, our Promoters and our Promoter Group will ensure compliance with the SBO Rules, upon notification of the relevant forms, as may be applicable to them.

Eligibility for Migration to Main Board

Our company’s Equity Shares are listed on SME Exchange of BSE in terms of the SEBI (ICDR) Regulations and this proposal is for Migration to Main Board.

Our company is eligible for Migration in accordance with Regulation 277 of SEBI (ICDR) Regulations, 2018 as the paid-up capital is more than Rs. 10 Crores and not exceeding Rs. 25 crores and our securities are listed on SME Exchange of BSE. We have therefore obtained shareholders’ approval through postal ballot as per Regulation 277 of SEBI (ICDR) Regulations, 2018 on March 07, 2022.

Our Company is listed on SME platform of BSE Limited for a period of two years in accordance with CIRCULAR No: 20121126-17 issued by BSE Limited dated November 26, 2012 pertaining to Eligibility norms for listing on BSE SME Platform and Migration to the Main Board of BSE Limited.

Listing

The Equity Shares of the Company are listed on SME Platform of BSE. Further, the Equity Shares of the Company shall be migrated to main Board of BSE subject to fulfilment of listing criteria of BSE and also subject to such other terms and conditions as may be prescribed by SEBI and by BSE at the time of the application by the Company seeking Listing.

Disclaimer respect to Jurisdiction

Any dispute arising out of this Information Memorandum will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, Gujarat only.

Listing Details

| | |
|--------------------------------------|------------------|
| Name of the Company | A-1 Acid Limited |
| Year of Issue | 2018 |
| Type of Issue | Public Issue |
| Amount of Issue | Rs. 180.00 Lakhs |
| Date of Closure of Issue | October 01, 2018 |
| Date of Allotment | October 05, 2018 |
| Date of Completion of Project | N.A. |
| Rate of Dividend Paid | N.A. |

Previous Public Issues

We have made public issue during last 5 years as stated in the chapter titled “Capital Structure” beginning on page no. 24 of this Information Memorandum and are an “SME Listed Company” in terms of the SEBI (ICDR) Regulations and this Information

Memorandum is for Migration in terms of the SEBI (ICDR) Regulations.

Commission and Brokerage on Previous Issues

Since this is the migration of the Company from SME Platform of BSE Limited to main board of BSE Limited, the Company has paid all generated invoices related to the commission and brokerage for subscribing to or procuring or agreeing to procure subscription for public issue of Equity Shares in the last 5 years.

Performance vis-à-vis objects

Issuer:

- The Company made its first Public Issue in October, 2018 as mentioned above.
- The Company has not suffered from non-achievement of objects, with quantification of shortfall and delays for such public issue.

Listed Promoter:

- Our promoters are Individuals and do not have any listed promoters as on date of filing this Information Memorandum.

Listed Subsidiaries:

- Our Company does not have any listed subsidiaries as on date of filing this Information Memorandum.

Demat Credit

The Company has executed Tripartite Agreements with both the depositories i.e. NSDL and CDSL for admitting its securities in demat form and have allotted **ISIN: INE911Z01017**.

Disclaimer Clause of BSE

As required, a copy of this Information Memorandum is being submitted to BSE.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be traded or will continue to be traded on the Main Board of BSE; 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 to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE 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.

Stock Market Data

For details of the stock market data, please refer "*Stock Market Data for Equity Shares of Our Company*" beginning on page no. 80 of this Information Memorandum.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board vide resolution passed at the Board Meeting held on February 06, 2018.

For further details, please refer to the chapter titled "*Our Management*" beginning on page no. 55 of this Information Memorandum.

Our Company has appointed Ms. Aanal Patel as Company Secretary and Compliance Officer and she may be contacted at the following address:

Ms. Aanal Patel

A-1 Acid Limited

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Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any problems.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION
THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES) ARTICLES OF ASSOCIATION
OF A-1 ACID LIMITED

Table F not to apply The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles.

Interpretation In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or content thereof.

- (a) “The Act” or “the said Act”
The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
- (b) “These Articles”
“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.
- (c) “Beneficial Owner”
Beneficial Owner shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- (d) “The Company” or “this Company”
“The Company” or “this Company” means **A-1 ACID LIMITED**
- (e) “The Directors”
“The Directors” means the Directors for the time being of the Company or as the case may be, the directors assemble data Board.
- (f) “Depository”
Depository shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.
- (g) “Depositories Act 1996”
Depositories Act 1996 includes any statutory modification or re- enactment thereof.
- (h) “The Board” or “the Board of Directors”
“The Board” or “the Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.
- (i) “The Chairman”
The Chairman means the Chairman of the Board of Directors for the time being of the Company.
- (j) “The Managing Director”
“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.
- (k) “The Office”
The Office means the Registered Office for the time being of the Company.
- (l) “Capital”
Capital means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
- (m) “The Registrar”
The Registrar means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- (n) “Dividend”
Dividend includes Bonus.
- (o) “Month”
Month means the calendar month.

(p) “Seal”

Seal means the Common Seal for the time being of the Company.

(q) “In Writing” and “Written”

In Writing and Written include printing, lithography and other modes of representing or reproducing words in a visible form.

(r) “Plural Number”

Words importing the singular number also include the plural number and vice versa.

(s) “Persons”

Persons include corporations and firms as well as individuals.

(t) “Gender”

Words importing the masculine gender also include the feminine gender.

(u) “Securities & Exchange Board of India”

Securities & Exchange Board of India or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

(v) “Year and Financial Year”

Year means the Calendar year and Financial Year shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear the same meaning in the articles - Save as aforesaid, any words or expressions defined in the Act shall, except where the meaning in the Articles subject or context forbids, meaning in these Articles

Marginal Notes The marginal notes hereto shall not affect the construction of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:

- (i) The Memorandum;
- (ii) The Articles, if any;
- (iii) Every other agreement and every resolution referred to in Section 17 (1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

CAPITAL AND SHARES

- 4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.
- 5. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
- 6. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

- 7. Subject to the provisions of Section 62 of the Act and these Articles, the shares capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons,

in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

FURTHER ISSUE OF SHARES

8. (1) Where at anytime the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-
- (a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - (ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
 - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the shareholders and the company;
 - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by Central Government; or
 - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.
- (2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

9. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

10. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

11. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.
- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
 - (b) No such shares shall be redeemed unless they are fully paid;
 - (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

12. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

13. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to—

- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by Central Government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
- (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by Central Government.

REDUCTION OF CAPITAL

14. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

15. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:
- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
 - (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed

to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

SALE OF FRACTIONAL SHARES

16. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

MODIFICATION OF RIGHTS

17. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

18. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

19. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

POWER OF COMPANY TO DEMATERIALIZED AND REMATERIALIZED

- (a) "Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed thereunder if any"

DEMATERIALIZED OF SECURITIES

- (b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

INTIMATION TO DEPOSITORY

- (c) "Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities.

OPTION FOR INVESTORS

- (d) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.]

THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER

- (e) The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS

- (f) All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections

89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

- (g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

DEPOSITORY TO FURNISH INFORMATION

- (h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES REGISTER AND INDEX OF MEMBERS

20. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

SHARES TO BE NUMBERED PROGRESSIVELY

21. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

22. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

APPLICATION OF PREMIUM RECEIVED ON SHARES

23. (1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a—securities premium account and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.
- (2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company:-
- (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the company;
 - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
 - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
 - (e) for the purchase of its own shares or other securities under section 68.

ACCEPTANCE OF SHARES

24. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall,

for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

LIABILITY OF MEMBERS

25. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

26. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

27. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

RIGHT TO OBTAIN COPIES OF AND INSPECT TRUSTDEED

28. (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.

(ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

JOINT ALLOTTEES OF HOLDERS

29. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

30. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.
- (ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

WHO MAY HOLD SHARES

31. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind.
32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as—the Employees) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

SWEAT EQUITY

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

DECLARATIONS IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES

34. (1) In pursuance of Section 89 of the Act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
- (2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.).
- (3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.).
- (4) The Company has to be bound to follow the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.
- (5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by Central Government, within the time specified under section 403.
- (6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.
- (7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

35. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

ISSUE OF SHARES WITHOUT VOTING RIGHTS

36. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

SECTION 45 OF ACT NOT TO APPLY

37. Notwithstanding anything to the contrary contained in the Articles,
- (i) Section 45 of the Act shall not apply to the Shares held with a Depository;

TRUST RECOGNIZED

Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when

having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

REGISTRATION OF CHARGES

38. The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

UNDERWRITING AND BROKERAGE COMMISSION MAY BE PAID

39. The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other subject to maximum of 5% of the share price or 2.5% in case of debenture, of the issued share or debenture price, as the case maybe.

BROKERAGE MAY BE PAID

40. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

CALLS ON SHARES DIRECTORS MAY MAKE CALLS

41. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

42. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

NOTICE OF CALLS

43. One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

CALLS TO DATE FROM RESOLUTION

44. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

45. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

CALL TO CARRY INTEREST AFTER DUE DATE

46. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time

of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

47. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minutes book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

48. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

49. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

FORM OF NOTICE

50. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaidistobepaid. Thenoticeshallalsostatethatintheeventofnon-paymentonorbeforethetimeandatthe place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

51. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

NOTICE OF FORFEITURE

52. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

53. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

POWER TO ANNUL FORFEITURE

54. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

55. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

EFFECT OF FORFEITURE

56. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

PROCEEDS HOW TO BE APPLIED

57. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

DECLARATION OF FORFEITURE

58. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.
59. The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts there instated as against all persons claiming to be entitled to the Share.

TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

60. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to the contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

61. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

62. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way

of premium, as if the same had been payable by virtue of a call duly made and notified.

BOARD MAY ACCEPT SURRENDER OF SHARES

63. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

COMPANY'S LIEN ON SHARE/DEBENTURES

64. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

ENFORCING LIEN BY SALE

65. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice

APPLICATION OF PROCEEDS OF SALE

66. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

67. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

68. Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

69. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

TRANSFER AND TRANSMISSION OF SHARES REGISTER OF TRANSFER

70. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

EXECUTION OF TRANSFER

71. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

INSTRUMENT OF TRANSFER

72. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

FORM OF TRANSFER

73. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC

74. No transfer shall be made to a minor or a person of unsound mind.

TRANSFER OF SHARES

75. (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
(iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

76. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

NO FEE ON TRANSFER OR TRANSMISSION

77. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

78. Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

WHEN TRANSFER TO BE RETAINED

79. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

80. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

TITLE TO SHARES OF DECEASED HOLDER

81. Subject to Article 81, the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER

82. Subject to the provisions of the Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer

CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE

83. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

TRANSMISSION OF SHARE

84. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

BOARD MAY REFUSE TO TRANSMIT

85. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

86. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

TRANSFER BY LEGAL REPRESENTATION

87. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

CERTIFICATE OF TRANSFER

88. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to he shares or debentures.

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

89. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest too in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which

may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

NOMINATION

90. (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by Central Government under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by Central Government under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by Central Government under the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“Option of Nominee”

91. (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.
- If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.
- (ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.
- Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

TRUST NOT RECOGNISED

92. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

TRANSFER OF SECURITIES

93. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

NOTICE OF APPLICATION WHEN TO BE GIVEN

94. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

REFUSAL TO REGISTER NOMINEE

95. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

96. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

97. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

JOINT HOLDERS

98. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

- (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

TITLE OF SURVIVORS

- (b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

EFFECTUAL RECEIPTS

- (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

- (d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in the Articles and documents served on or sent to such person shall be deemed service on all the joint holders).

VOTES OF JOINT HOLDERS

- (e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stand shall for the purpose of this Article be deemed joint holders.

CONVERSION OF SHARES INTO STOCK SHARES MAY BE CONVERTED INTO STOCK

99. The Board may, pursuant to Section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

RIGHTS OF STOCK-HOLDERS

100. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would

not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

MEETING OF MEMBERS

101. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.
- (b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.
102. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING

103. The General Meeting referred to in Article 102 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

CALLING OF EXTRA-ORDINARY GENERAL MEETING

104. (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.
- (2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause(4).
- (3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionist and sent to the registered office of the company.
- (4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionist themselves within a period of three months from the date of the requisition.
- (5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

LENGTH OF NOTICE FOR CALLING MEETING

105. (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by Central Government:
- Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
- (2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.
- (3) The notice of every meeting of the company shall be given to—
- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the company.
- (4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS

106. 1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:-
- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
- (i) every director and the manager, if any;
- (ii) every other key managerial personnel; and
- (iii) relatives of the persons mentioned in sub-clauses (i) and(ii);
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.
- 2) For the purposes of clause(1),—
- (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
- (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
- (ii) the declaration of any dividend;
- (iii) the appointment of directors in place of those retiring;

(iv) the appointment of, and the fixing of the remuneration of, the auditors; And

(b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub-clause(1).

107. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

QUORUM

108. (1) The quorum for a General Meeting of the Company shall be asunder:

(i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or

(ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or

(iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.

(2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company—

(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or

(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

(3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

RESOLUTION PASSED AT ADJOURNED MEETING

109. Where a resolution is passed at an adjourned meeting of —

(a) a company; or

(b) the holders of any class of shares in a company; or

(c) the Board of Directors of a company,

the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

REGISTRATION OF RESOLUTIONS AND AGREEMENTS

110. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

POWER OF ADJOURN GENERAL MEETING

111. (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

CHAIRMAN OF GENERAL MEETING

112. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT

113. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

RESOLUTION MUST BE PROPOSED AND SECONDED

114. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

POSTAL BALLOT

115. (1) Notwithstanding anything contained in this Act, the company—
- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
 - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of transacting such business at a general meeting.
- (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

DECLARATION OF CHAIRMAN TO BE CONCLUSIVE

116. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution

CIRCULATION OF MEMBERS' RESOLUTION

117. (1) A company shall, on requisition in writing of such number of members, as required in section 100,—
- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
 - (b) Circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless—
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company,—
 - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
 - (ii) in the case of any other requisition, not less than two weeks before the meeting; and
 - (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:
- Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

- (3) The company shall not be bound to circulate any statement as required by clause(b) of sub-section if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.
- (4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

VOTES OF MEMBERS

VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

118. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

VOTES OF MEMBERS

119. (1) Subject to the provisions of section 43 and sub-section (2) of section 50,-
 - (a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and
 - (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.
- (2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for the payment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY

120. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

REPRESENTATION OF BODY CORPORATE

121. Pursuant to section 113, a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS

122. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS

123. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID

124. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 124.

HOW MEMBER NON-COMPOS MENTIS MAY VOTE

125. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

INSTRUMENT OF PROXY

126. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE

127. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

128. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

FORM OF PROXY

129. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

TIME FOR OBJECTION TO VOTE

130. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE

131. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THERE OF

132. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

DIRECTORS

133. 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.
- 2) The Persons named hereinafter are the Directors of the Company at the time of adoption of new set of Articles:-
- (1) HARSHADKUMAR NARANBHAI PATEL.
 - (2) JITENDRA NARANBHAI PATEL
 - (3) UTKARSH HARSHADKUMAR PATEL
 - (4) CHIRAG RAJNIKANT SHAH

- (5) URVISH RATILALPATEL
- (6) LAJJU H.SHAH
- (7) HANSA BHARATBHAI PATEL

INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

134. The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS

135. The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

ALTERNATE DIRECTORS

136. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act:

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

NOMINEE DIRECTORS

137. The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

138. A Director need not hold any qualification shares.

REMUNERATION OF DIRECTORS

139. (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

- (2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment not a Managing Director may be paid remuneration.

(i) By way of monthly, quarterly or annual payment with the approval of the Central Government:
or (ii) by way of commission if the Company by a special resolution authorises such payments.

- (3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed thereunder.
- (4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

140. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director

or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS

141. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any

Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

142. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

DISCLOSURE OF INTEREST OF DIRECTORS

143. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.

(2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

(3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

(4) Nothing in this Article-

(a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;

(b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS

144. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement

entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED

145. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder—

- (i) for the sale, purchase or supply of any goods, materials or services; or
 - (ii) selling or otherwise disposing of, or buying, property of any kind;
 - (iii) leasing of property of any kind;
 - (iv) availing or rendering of any services;
 - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
 - (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;
- (2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- (3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188(3))
- (4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.
- (5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

SPECIAL DIRECTOR

146. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein- after in this clause referred to as—collaborator to appoint from time to time any person as director of the company (hereinafter referred to as—special director) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

DIRECTORS' SITTING FEES

147. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by the Central Government for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central

Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

148. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

DISQUALIFICATION OF THE DIRECTOR

149. (1) A person shall not be eligible for appointment as a director of a company, if–
- (a) he is of unsound mind and stands so declared by a competent court;
 - (b) he is an undischarged insolvent;
 - (c) he has applied to be adjudicated as an insolvent and his application is pending;
 - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
 - (e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;
 - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
 - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - (h) he has not complied with sub-section (3) of section 152.
- (2) No person who is or has been a director of a company which–
- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
 - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

DIRECTORS VACATING OFFICE

150. The office of a Director shall be vacated if:
- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
 - (ii) he applied to be adjudicated an insolvent;
 - (iii) he is adjudicated an insolvent;
 - (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
 - (v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;

- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY

151. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

RETIREMENT AND ROTATION OF DIRECTORS RETIREMENT OF DIRECTORS BY ROTATION

152. (1) (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall—
- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
 - (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
- (b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.
- (c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
- (d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.
- (2) (a) If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (b) If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless—
- 1. At that meeting or at the previous meeting a resolution for the appointment of such director has been put to the meeting and lost;
 - 2. The retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
 - 3. he is not qualified or is disqualified for appointment;
 - 4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
 - 5. section 162 is applicable to the case.

APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY

153. (1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.
- (2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when

it was moved.

- (3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

154. (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty- five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

- (2) The company shall inform its members of the candidature of a person for the office of director under sub-section

(1) in such manner as may be determined by central government.

RESIGNATION OF DIRECTOR

155. (1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company: Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by Central Government.

- (2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:

Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

- (3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR

156. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS

157. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

REMOVAL OF DIRECTORS

158. (1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard: Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.

- (2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.

(4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—

(a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and

(b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),

and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section(2).

(6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

(8) Nothing in this section shall be taken-

(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or

(b) as derogating from any power to remove a director under other provisions of this Act.

ELIGIBILITY FOR RE-ELECTION

159. A retiring Director shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS MEETINGS OF BOARD

160. (1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub- section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

QUORUM

161. (1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.
- (2) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.
- (3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.
- (4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

DECISION OF QUESTIONS

162. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN

163. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

POWER OF BOARD MEETING

164. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.
165. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

MEETING OF THE COMMITTEE HOW TO BE GOVERNED

166. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN

167. No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:
- Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

PASSING OF RESOLUTION BY CIRCULATION

168. (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by Central Government

and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

- (2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

SPECIAL NOTICE

169. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

GENERAL POWERS OF THE BOARD

170. (1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.

- (2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS

171. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely:-

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;
- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;

- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be. Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

RESTRICTIONS ON POWERS OF BOARD

172. (1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely:-
- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
 - (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
 - (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:

Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.
 - (d) to remit, or give time for the repayment of, any debt due from a director.
- (2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- (3) Nothing contained in clause (a) of sub-section (1) shall affect-
- (a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or
 - (b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.
- (4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:
Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.
- (5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

POWER TO BORROW

173. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
174. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

THE PAYMENT OR REPAYMENT OF MONEYS BORROWED

175. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture stock and other securities may be made assignable

free from any equities between the Company and the person to whom the same may be issued.

BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS

176. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

CONDITION ON WHICH MONEY MAY BE BORROWED

177. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

TERMS OF ISSUE OF DEBENTURES

178. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED

179. (1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

(2) No company shall issue any debentures carrying any voting rights.

(3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.

(4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.

(5) No company shall issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by Central Government.

(6) A debenture trustee shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be determined by Central Government.

(7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee there of from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

(8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.

(9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.

(10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture

trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.

(11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.

(12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

(13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

EXECUTION OF INDEMNITY

180. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

CERTAIN POWERS OF THE BOARD

181. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

- 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.
- 2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- 3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.
- 4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- 5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.
- 6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.
- 7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- 9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform

the awards.

- 10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- 11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- 12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- 13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.
- 14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
- 15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
- 16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- 17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- 18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to the provisions of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.
- 20) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of the Act and of the provision contained in these presents.
- 21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers

and servants.

22) To redeem redeemable preference shares.

23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

APPOINTMENT OF INDEPENDENT DIRECTOR

182. Pursuant to Section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of Section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act –

(i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

KEY MANAGERIAL PERSONNEL APPOINTMENT OF KEY MANAGERIAL PERSONNEL

183. (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

(2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board.

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel.

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

(3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

REMUNERATION OF KEY MANAGERIAL PERSONNEL

184. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR

185. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS

186. No company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who-
- (a) is below the age of twenty-one years or has attained the age of seventy years:
Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
 - (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
 - (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
 - (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months. A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.
187. Special to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
188. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-
- a) Managing Director and
 - b) Manager.
- and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

THE SECRETARY

189. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

THE SEAL, ITS CUSTODY AND USE

190. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

MINUTES

191. (1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.

- (a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.
 - (b) In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
192. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 191 above, shall be evidence of the proceedings recorded therein.
193. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 192 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.
194. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday
- (2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
 - (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.
 - (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - (6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain-
 - (a) the names of the directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
 - (7) Nothing contained in clauses (1) to (6) shall be included in the minutes, any matter which, in the opinion of the Chairman of the meeting-
 - (a) is or could reasonably be regarded as defamatory of any person; or
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED.

195. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

DIVIDENDS

196. (1) No dividend shall be declared or paid by a company for any financial year except—
- (a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
 - (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its

profits for that financial year as it may consider appropriate to the reserves of the company: Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by Central Government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

- (2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.
- (3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared: Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.
- (4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.
- (5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.
- (6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

DIVIDEND TO JOINT HOLDERS

197. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
198. No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

APPORTIONMENT OF DIVIDENDS

199. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

DECLARATION OF DIVIDENDS

200. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

RESTRICTION ON AMOUNT OF DIVIDEND

201. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST

202. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.
(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

INTERIM DIVIDENDS

203. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

DEBTS MAY BE DEDUCTED

204. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same

in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

DIVIDEND AND CALL TOGETHER

205. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

EFFECT OF TRANSFER

206. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

RETENTION IN CERTAIN CASES

207. The Board may retain the dividends payable upon shares in respect of which any person is, under Articles entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OF

208. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

PAYMENT BY POST

209. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means.

The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

DIVIDEND TO BE PAID WITHIN THIRTY DAYS

210. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:
- (a) the dividend could not be paid by reason of the operation of any law or
 - (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or
 - (c) there is dispute, regarding the right to receive the dividend or
 - (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
 - (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

UNPAID OR UNCLAIMED DIVIDEND

211. (1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.
- (2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be

determined by central government.

- (3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
- (4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.
- (5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.
- (6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law: Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by Central Government.

CAPITALIZATION OF RESERVES

212. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:
 - (1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
 - (2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
 - (3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- (b)
 - (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and
 - (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock,

bonds or other obligations and fractional certificates or otherwise as it may think fit.

- (e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.
- (f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

FRACTIONAL CERTIFICATES

- 213. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
 - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
 - (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
 - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

DIVIDEND IN CASH

- 214. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
- 215. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

BOOKS OF ACCOUNTS BOOKS OF ACCOUNTS TO BE KEPT

- 216. The Company shall cause to be kept proper books of account with respect to:
 - (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
 - (ii) all sales and purchases of goods and services by the company;
 - (iii) the assets and liabilities of the company; and
 - (iv) the items of cost as may be determined by Central Government under section 148 in the case of a company which belongs to any class of companies specified under that section;

BOOKS WHERE TO BE KEPT AND INSPECTION

- 217. (1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of

Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by Central Government.

- (2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (I), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause(I).
- (3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.
- (4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

INSPECTION BY MEMBERS

218. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

219. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year. If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING

220. The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

FINANCIAL STATEMENT

221. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

AUTHENTICATION OF FINANCIAL STATEMENT

222. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT

223. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto

shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of Article 229. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT

224. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:
- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
 - (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR

225. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

226. (1) Without prejudice to the provisions of Section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture- holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting. The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by Central Government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall -

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
 - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

ACCOUNTS TO BE AUDITED

227. (1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

APPOINTMENT OF AUDITORS

228. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.
- (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.
- Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.
- Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:
- Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.
- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:
- (a) he is not disqualified for re-appointment;
 - (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
 - (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
- (4) The company shall not appoint or reappoint-
- (a) an individual as auditor for more than one term of five consecutive years; and
 - (b) an audit firm as auditor for more than two terms of five consecutive years: Provided that—
 - (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.
 - (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.
- (5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

POWER OF BOARD TO MODIFY FINAL ACCOUNTS

229. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

DOCUMENTS AND NOTICE SERVICES OF DOCUMENTS ON MEMBER BY COMPANY

230. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by Central Government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

SERVICE OF DOCUMENTS ON COMPANY

231. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central Government:
- Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

“Service of documents on the Company”

232. Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

233. Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

REGISTERS AND DOCUMENTS

REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

234. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
 - (b) Register of mortgages and charges as required by Section 85 of the Act.
 - (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
 - (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
 - (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
 - (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
 - (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

235. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—
- (a) required to be kept by a company; or
 - (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

INDEMNITY

236. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

WINDING UP DISTRIBUTION OF ASSETS

237. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.
- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

RIGHT OF SHAREHOLDERS IN CASE OF SALE

238. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

SECRECY CLAUSE

239. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

240. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these presents contained.

KNOWLEDGE IMPLIED

241. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

SECTION IX– OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Information Memorandum) which are or may be deemed material will be attached to the copy of the Information Memorandum which will be delivered to the Stock Exchange for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday).

Material documents


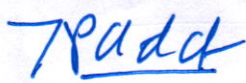


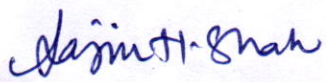

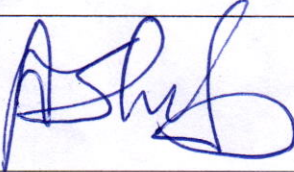

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time
2. Copy of Certificate of Incorporation of A-1 Acid Limited.
3. Resolution of the Board of Directors meeting dated January 27, 2022 authorizing the Migration from SME Exchange to Main Board of BSE Limited.
4. Shareholders' resolution passed through Postal Ballot dated March 07, 2022 authorizing the Migration.

Any of the contracts or documents mentioned in this Information memorandum 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, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Information Memorandum are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

| | |
|---|--|
|  | Harshadkumar Patel (Chairman & Managing Director) |
|  | Jitendra Patel (Whole-time Director) |
|  | Utkarsh Patel (Whole time Director) |
|  | Krishna Patel (Non- Executive Director) |
|  | Lajju Shah (Non- Executive Non Independent Director) |
|  | Chirag Shah (Non- Executive Independent Director) |
|  | Nitin Shah (Non- Executive Independent Director) |
|  | Suresh Dave (Non- Executive Independent Director) |


SIGNED BY THE CHIEF FINANCIAL OFFICER



Mr. Himanshu Sunil Thakkar

(Chief Financial Officer)

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

A handwritten signature in blue ink, appearing to read 'Aanal', written over a horizontal line.

Aanal Bharatbhai Patel

(Company Secretary & Compliance Officer)

Date: 30.06.2022

Place: Ahmedabad