





SANGINITA CHEMICALS LIMITED

Our Company was originally incorporated as Sanginita Chemicals Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 15, 2005 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Sanginita Chemicals Limited and fresh certificate of incorporation dated December 23, 2016 was issued by the Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our company is L24100GJ2005PLC047292. For further details please refer to the section titled “General Information” beginning on page 40 of this Letter of offer.

Registered Office: 301, 3rd Floor, Shalin Complex, Sector -11, Gandhinagar - 382 011, Gujarat, India
Tel: +91 79 23240270, **Website:** www.sanginitachemicals.co.in, **E-mail:** sanginitachemicals@yahoo.com
Company Secretary and Compliance Officer: Ms. Saroj Jagetia

Promoters: Mr. Dineshsinh Bhimsinh Chavada, Mr. Vijaysinh Dineshsinh Chavda and Sanginita Industries LLP

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SANGINITA CHEMICALS LIMITED

THE ISSUE		
<p>ISSUE OF UP TO 86,33,850 EQUITY SHARES WITH A FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 18 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 8 PER EQUITY SHARE) (“RIGHTS EQUITY SHARES”) FOR AN AMOUNT AGGREGATING UP TO ₹ 1,554.09* LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SANGINITA CHEMICALS LIMITED (THE “COMPANY” OR THE “ISSUER”) IN THE RATIO OF 1 RIGHTS EQUITY SHARE FOR EVERY 2 FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS MAY 07, 2024 (THE “ISSUE”). <i>*ASSUMING FULL SUBSCRIPTION</i></p>		
<p style="text-align: center;">THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE OF ₹ 18/- IS 1.8 TIMES OF THE FACE VALUE FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 101.</p>		
WILFUL DEFAULTERS OR FRAUDULENT BORROWERS		
<p>Neither our Company, our Promoters nor Directors are categorised as Wilful Defaulters or Fraudulent Borrowers.</p>		
GENERAL RISK		
<p>Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Investors are advised to refer to “Risk Factors” on page 27 before making an investment in this Issue.</p>		
ISSUER’S ABSOLUTE RESPONSIBILITY		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
LISTING		
<p>The equity shares of Sanginita Chemicals Limited are listed on the National Stock Exchange of India Limited (“NSE”). We have received “in-principle” approval from NSE for listing the Rights Equity Shares arising from the Issue vide its letter dated September 18, 2023. Our Company will also make application to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Rights Issue, the Designated Stock Exchange is NSE.</p>		
LEAD MANAGERS TO THE ISSUE	REGISTRAR TO THE ISSUE	
 <p>FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED Address: 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1, Extension, Delhi – 110091 Tel: +91 11 48016991 E-mail ID: info@fintellectualadvisors.com Website: www.fintellectualadvisors.com Contact Person: Mr. Pramod Negi SEBI Registration No.: INM000012944</p>	 <p>PURVA SHAREREGISTRY INDIA PRIVATE LIMITED Address: 9, Shiv Shakti Industrial Estate, JR Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 011, Tel No: +91-022-49614132/ 35220056 Email: newissue@purvashare.com Website: www.purvashare.com Contact Person: Ms. Deepali Dhuri, Compliance Officer SEBI Registration No.: INR000001112</p>	
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR MARKET RENOUNCIATION*	ISSUE CLOSSES ON
Wednesday, May 15, 2024	Tuesday, May 21, 2024	Monday, May 27, 2024

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

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SECTION I - GENERAL INFORMATION

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended or re-enacted from time to time. The words and expressions used in this Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Possible Tax Benefits" and "Financial Information of the Company" beginning on pages 54 and 80, respectively, shall have the meaning ascribed to such terms in such sections. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to "the Issuer", "Issuer Company", "the Company", "our Company" Sanginita Chemicals Limited" or "SCL" are references to Sanginita Chemicals Limited and references to "we", "our" or "us" are references to our Company.

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended.
Audit Committee	Audit committee of our Company constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ended on March 31, 2023.
Auditor/ Statutory Auditor	The statutory auditor of our Company, being M/s. Devpura Navlakha & Co., Chartered Accountant till 19 th AGM of the Company.
Board of Director(s)/ Director(s)	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled " <i>Our Management</i> " beginning on page 75 of this Letter of Offer.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company being Ms. Chavda Sangitaben Dineshsinh.
Company Secretary & Compliance Officer	Company Secretary and Compliance Officer of our Company being Ms. Saroj Jagetia
Director(s)	Any or all the Director(s) of our board, as may be appointed from time to time.
Eligible Shareholder(s)	Holder(s) of the Equity Shares of Saginita Chemicals Limited as on the Record Date.
Equity Shares	The equity shares of our Company of face value of ₹ 10.00/- each, fully paid-up, unless otherwise specified in the context thereof.
Group Companies/ Entities	The companies included under the definition of " <i>Group Entities</i> " under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy.
Key Managerial Personnel/ KMP	The key management personnel of our Company in terms of the SEBI (ICDR) Regulations and the Companies Act disclosed under section titled " <i>Our Management</i> " beginning on page 75 of this Letter of Offer.

Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board, in accordance with the requirements of the SEBI (ICDR) Regulations.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.
Peer Review Auditors	The peer review auditor of our Company, being M/s. Devpura Navlakha & Co., Chartered Accountants.
Promoters	Shall mean Promoter of our Company <i>i.e.</i> Mr. Dineshsinh Bhimsinh Chavada, Mr. Vijaysinh Dineshsinh Chavda and M/s Sanginita Industries LLP.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with NSE under the SEBI (LODR) Regulations.
Registered Office	Registered office of our Company situated at 301, 3rd Floor, Shalin Complex, Sector - 11, Gandhinagar – 382011, Gujarat, India.
RoC/ Registrar of Companies	The Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rural Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of Companies Act, 2013.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Gandhinagar are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Gandhinagar are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Issue related terms

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Allot/ Allotment/ Allotted of Equity Shares	Unless the context requires, the allotment of Right Equity Shares pursuant to the Issue.
Additional Rights Shares	The Rights Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to

Term	Description
	successful Applicants will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Account Bank	The Bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, Axis Bank Limited.
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	Persons to whom Right Equity Shares are issued pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer/Letter of Offer, being an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Equity Shares at the Issue Price.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Form	Unless the context otherwise requires, an application form made available through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor	Any Applicant who intends to apply through ASBA Process.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being Axis Bank Limited.
Bankers to the Issue Agreement	Agreement dated April 30, 2024 entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from

Term	Description
	Applicants/Investors and providing such other facilities and services as specified in the agreement.
ASBA Application Location (s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Bangalore, Hyderabad and Pune.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue, and which is described in ' <i>Terms of the Issue</i> ' beginning on page 101 of this Letter of Offer;
Broker Centres	Broker centres notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form;
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes;
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of Investor's father/husband, Occupation, Investor status and Bank Account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depository/ Depositories	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to CDP. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange <i>i.e.</i> www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange <i>i.e.</i> www.nseindia.com

Term	Description
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Draft Letter of Offer/ DLoF	The Draft Letter of Offer dated August 16, 2023, filed with National Stock Exchange of India Limited in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval.
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
ISIN	International Securities Identification Number. In this case being INE753W01010.
Issue/ Rights Issue	Rights Issue of up to 86,33,850 Equity Shares of face value of ₹ 10.00/- (Rupees Ten Only) each of our Company for cash at a price of ₹ 18.00/- per Rights Equity Share not exceeding ₹ 1,554.09/- Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (One) Rights Equity Shares for every 2 (Two) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. May 07, 2024.
Issue Opening Date	May 15, 2024
Issue Closing Date	May 27, 2024
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	₹ 18/- (Rupees Eighteen) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹ 18/- (Rupees Eighteen per Rights Equity Share, including a premium of ₹ 8/- (Rupees Eight) per Rights Equity Share).
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer to section titled " <i>Objects of the Issue</i> " beginning on page 48 of this Letter of Offer.
Issue Shares	Upto 86,33,850 Rights Issue.
Issue Size	Amount aggregating up to ₹ 1,554.09/- Lakhs (<i>Assuming full subscription with respect to Rights Shares</i>).

Term	Description
Letter of Offer/ LoF	The final Letter of Offer dated May 01, 2024 is being filed with NSE after incorporating the observations received from NSE on the Draft Letter of Offer.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Material Fraud	Fraud that has so vitiated the entire transaction that the legitimate purposes of the independence of the issuer's obligation can no longer be served.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by our Company.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before May 21, 2024.
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Payment through electronic means	Payment through NECS, NEFT, or Direct Credit, as applicable.
Payment Schedule	Payment schedule under which 100% (Hundred Percent) of the Issue Price is payable on Application, i.e., ₹ 18/- (Rupees Eighteen Only) per Rights Share.
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability co., joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.

Term	Description
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being May 07, 2024.
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being Axis Bank Limited.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable.
Registrar/ Registrar to this Issue/RTI	Registrar to the Issue being Purva Sharegistry India Private Limited
Registrar Agreement	The Agreement dated August 16, 2023, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renounees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. May 15, 2024. Such period shall close on May 21, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. May 24, 2024.
Retail Individual Investors/RII	Individual Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2.00 Lakh in this Issue.
Rights Entitlement (s)/ REs	<p>The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 1 Right Equity Shares for every 2 Equity Shares held by an Eligible Equity Shareholder;</p> <p>The Rights Entitlements with a separate ISIN INE753W20010 will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible and on the website of our Company.

Term	Description
Rights Shares	Equity shares of our Company to be Allotted pursuant to this Rights Issue, on partly paid-up basis on Allotment.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Stock Exchange	National Stock Exchange of India Limited
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Theft	Any unauthorized possession of movable property.
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.

Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Companies Act, 1956	Companies Act, 1956 (<i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i>) along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.

Term	Description
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
Equity Listing Agreement / Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the National Stock Exchange of India Limited (NSE).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations (<i>defined later</i>).
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations (<i>defined later</i>) and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Letter of Offer.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors)

Term	Description
	Regulations, 2014, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations/ SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.

Technical and Industry related terms

Term	Description
ASSOCHAM	Associated Chambers of Commerce and Industry of India
BPS	Basis point
CAGR	Compound Annual Growth Rate
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
GDP	Gross Domestic Product
GST	Goods and Services Tax
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee
IPC	Indian Penal Code
IT	Information Technology
MICR	Magnetic Ink Character Recognition
NGNF	Non - Government Non – Financial
OEM	Original Equipment Manufacturer

Term	Description
PMI	Purchasing Managers' Index
PPP	Purchasing Power Parity
R&D	Research & Development
RPL	Recognition of Prior Learning
SEZ	Special Economic Zone
SLL	Special and Local Laws
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
USD	United States Dollar
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
WPI	Wholesale Price Index
WTO	World Trade Organization
WTTC	World Travel and Tourism Council
YoY	Year over Year

General terms/ Abbreviations

Term	Description
%	Percent
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year
Approx	Approximately
BG/LC	Bank Guarantee / Letter of Credit
Bn	Billion
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
BSE	BSE Limited
CA	Chartered Accountant
CC	Cash Credit
Cr	Crore

Term	Description
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
CPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortization
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General anti avoidance rules
GDP	Gross Domestic Product
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization

Term	Description
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
Mn	Million
MoF	Ministry of Finance, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves (<i>excluding reserves created out of revaluation</i>) less deferred expenditure not written off (<i>including miscellaneous expenses not written off</i>) and debit balance of profit and loss account, divided by number of issued Equity Shares.
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account.
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSE Emerge	The emerge platform of National Stock Exchange of India Limited
NTA	Net Tangible Assets
OCB	Overseas Corporate Body
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)
P/E Ratio	Price per earnings ratio

Term	Description
Pvt.	Private
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SME	Small and Medium Enterprises
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956, and amendments thereto
SCRR	Securities Contracts (Regulation) Rules, 1957, and amendments thereto
Sec.	Section
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Wilful Defaulter	Wilful Defaulter as defined under Section 2(1)(zn) of the SEBI (ICDR) Regulations.

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NOTICE TO INVESTORS

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and the Issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Rights Equity Shares on a rights basis to the Equity Shareholders as on Record Date and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have registered their e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their registered e-mail address and in case such Eligible Equity Shareholders have not registered their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer/ Abridged Letter of Offer and Application Form, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form. Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with NSE (the “Stock Exchange”) for observations. Accordingly, the Right Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Material must be treated as sent for information purpose only and should not be acted upon for subscription to Rights Entitlement and Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Material should not, in connection with this Issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares, or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

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

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR

SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”), or any U.S. State Securities Laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Rights Equity Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States,
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form (CAF) is incomplete or acceptance of such Application Form (CAF) may infringe applicable legal or regulatory requirements; and
5. Our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application form which:

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering

of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

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

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references here into the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our ‘Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Sanginita Chemicals Limited or, as the context requires, and references to ‘you’ are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements for the year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021 and Audited Financial Information for the nine months period ended December 31, 2023 of our Company prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled ‘**Financial Information**’ beginning on page 80. The financial year of our Company commences on April 1 and ends on March 31.

The GoI has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Financial Statements of our Company for the Financial Years ended March 2021, March 2022 and March 2023 and Audited Financial Information for the nine months period ended December 31, 2023 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see ‘**Financial Information**’ on page 80.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Letter of Offer to ‘Rupees’, ‘Rs.’, ‘₹’, ‘Indian Rupees’ and ‘INR’ are to Rupees, the official currency of the Republic of India.

All references to ‘U.S. \$’, ‘U.S. Dollar’, ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in **‘Risk Factors’** on page 27. Accordingly, investment decisions should not be based solely on such information.

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

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FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- General economic and business conditions Globally, in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to manage our operating costs and impact on the financial results;
- Our ability to Successfully implement our business strategies and expansion plans;
- Any cyclic change in the demand and supply of direct or indirect raw material supplies;
- Failure of our R&D efforts to yield returns or benefits, inability to successfully offer our customers new solutions and products and maintain our competitiveness; and
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations;
- Changes in general, political, social and economic conditions in India and elsewhere;
- Fluctuations in the exchange rate between the Indian rupee and foreign currencies;
- Reduction in demand or in the production of edible oil products;
- Our inability to anticipate, respond to and meet the tastes, preferences or consistent quality requirements of our consumers or our inability to accurately predict and successfully adapt to changes in market demand or consumer preference could reduce demand for our products and in turn, impact our sales;
- Our revenue significantly depends on the sale of our edible oil products and any decline in the sale of our edible oil products, specifically palm and soybean oil, in the market would have a material adverse effect on our business, financial condition and results of operation.

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled ‘**Risk Factors**’ beginning on page 27. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

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SECTION II - SUMMARY OF THE OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled 'Risk Factors', 'Objects of the Issue', 'Our Business' and 'Outstanding Litigations and Defaults' beginning on pages 27, 48, 65, and 88 of this Letter of Offer, respectively.

SUMMARY OF OUR INDUSTRY

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but which are required in almost all walks of life. Over the last decade, the Indian Chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty chemicals, fine chemicals and pharmaceuticals.

The chemical industry, which includes basic chemicals and its products, petrochemicals, fertilizers, paints & varnishes, gases, soaps, perfumes & toiletries and pharmaceuticals is one of the most diversified of all industrial sectors covering thousands of commercial products. It plays an important role in the overall development of the Indian economy.

For further details, please refer to the chapter titled 'Industry Overview' beginning on page 58 of this Letter of Offer.

SUMMARY OF OUR BUSINESS

The Company has initially started production of Cuprous Chloride and Cupric Chloride at its factory situated at 3536/8, Near GIDC, Chhatral, Dist- Gandhinagar (Unit I). Due to increase in the demand of products of our company in the year 2009, we have started Unit II to enhance our production capacity by installing additional machinery for which we had acquired plot admeasuring area of 11,028 sq. meters situated at 1133, Near GIDC Phase-4 Chhatral, Ta. Kalol, Gandhinagar. The Company has got the consolidated consent order for 45 chemical products for producing 15,00,000 Kgs/Month vide GPCB consent no. GPCB/CCA/GNR-468(3)/ID-16163/741529 dated 8th May, 2023 having validity upto 25th February, 2028.

At present, we manufacture following three major products viz. Cuprous Chloride, Copper Sulphate and Cupric Chloride having installed capacity of 60,00,000 Kgs/p.a., 54,00,000 Kgs./p.a and 3,50,000 Kgs./p.a respectively which is used in dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries etc. For further details, please refer to the chapter titled 'Our Business' beginning on page 65 of this Letter of Offer.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Mr. Dineshsinh Bhimsinh Chavada, Mr. Vijaysinh Dineshsinh Chavda and M/s Sanginita Industries LLP.

Mrs. Hansaben Dineshsinh Chavada and Mrs. Anita Ravindrasinh Aswar are the Promoter Group of our Company and referred as "Promoter Group".

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company have, vide their letters dated August 04, 2023 ("Participation Letters") indicated that they will subscribe in part or to the full extent of their Rights Entitlements. Further, the promoters have also undertake that they shall subscribe in part or in full to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Rights Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

OBJECTS OF THE ISSUE

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	1,554.09
Less: Estimated Issue related Expenses	45.00
Net Proceeds from the Issue	1,509.09

assuming full subscription and allotment

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

Particulars	Amount (₹ in Lakhs)
Working capital Purposes	659.00
Capital Expenditure	500.00
General Corporate Purposes#	350.09
Total Net Proceeds@	1,509.09

#In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

For further details, please refer to the chapter titled 'Objects of the Issue' beginning on page 48 of this Letter of Offer.

SUMMARY OF FINANCIAL STATEMENTS

The following table sets forth the summary financial information derived from the Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Year ending March 31, 2023, March 31, 2022 and March 31, 2021.

Particulars	(Amount in ₹ Lakhs)			
	For the period ended December 31, 2023	For the Financial Year ending March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	1,726.77	1726.77	1726.77	1726.77
Net Worth	4,149.08	4,013.68	3,972.07	3937.27
Total Income	9,887.14	14,913.08	19,843.80	16,502.03
Profit / (loss) after tax	135.4	41.61	34.80	76.26
Basic and diluted EPS (in ₹)	0.78	0.24	0.20	0.44
Total borrowings	3,341.69	2,858.00	3,451.37	2,895.11

AUDITOR QUALIFICATIONS

There is Nil Auditor Qualifications in the financial statements of the Company. For further details, please refer to section titled '*Financial Statements*' beginning on page 80 of this Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION

Nature of Cases	Amount (₹ in Lakhs)	
	Number of cases	Amount involved
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	Nil	Nil
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	1	68.87
Litigation involving our Directors, Promoters and Promoter Group	Nil	Nil
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to section titled '*Outstanding Litigations and Defaults*' beginning on page 88 of this Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '*Risk Factors*' beginning on page 27 of this Letter of Offer.

SUMMARY OF CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '*Financial Statements*' beginning from page 80 of this Letter of Offer.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, beginning on page 80 of this Letter of Offer.

ISSUE OF EQUITY SHARES FROM CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Letter of Offer.

SPLIT/ CONSOLIDATION OF EQUITY SHARES IN LAST 1 (ONE) YEAR

There has been no split/ consolidation of Equity Shares during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

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SECTION III- RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Letter of Offer could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our equity shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Letter of Offer may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. 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.

The Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Letter of Offer.

Materiality

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

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in the future

Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in the our restated financial statements prepared in accordance with Indian GAAP.

INTERNAL RISK FACTORS:

- 1. Our registered office premise is on a leasehold/license basis and any termination of such lease/license and/or non-renewal could adversely affect our operations.**

Our registered office situated at 301, 3rd Floor, Shalin Complex, Sector -11, Gandhinagar, Gujarat- 382011 is taken on lease basis from our Director Mrs. Hansaben Chavada for a period of 10 years commencing from January 1, 2017. Any termination of the lease agreement whether due to any breach or otherwise or non-renewal thereof, could temporarily disrupt our functioning and adversely affect the business operations. For further details, please refer to chapter titled 'Our Business' beginning on page 65 of the Letter of Offer.

- 2. Our business requires us to obtain and renew certain registrations, NOCs, licenses and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, NOCs, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspension and/or cancellation the approval/licenses which may affect our business adversely.

For more information about the licenses required in our business and the licenses and approvals applied for and yet to receive and approval yet to apply, please refer section "Government and Other Statutory Approvals" appearing on page 90 of this Letter of Offer.

3. We derive a significant portion of our revenues from our top ten customers. The loss of revenues from such customers, in particular would have an adverse impact on our results of operations and financial condition.

We are dependent on a limited number of key customers for a significant portion of our revenues. For the Fiscals 2023, our top ten customers contribute above 68% of our total revenue from operations. Furthermore, most of the business that we conduct with our top customers is through purchase orders that are placed from time to time. We do not typically have exclusivity arrangements with our customers, including our key customers. We cannot assure you that we will be able to maintain historic levels of business from our key customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting our supply chain, the specialty chemicals industry could have an adverse effect on our business, results of operations, financial condition and cash flows.

4. We are largely dependent on few suppliers for our raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.

We purchase our major raw material from few suppliers on formula based pricing as mutually agreed upon. For the Fiscal 2023, our top ten suppliers contribute approximately 70% of our total purchases. Further, our total purchases of raw materials are concentrated from only few suppliers.

We have a mutual understanding with our primary suppliers and we also enter into agreement with them from time to time. However, the absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies and regulatory changes. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner.

5. Our Company is a party to certain litigations, the outcome of which could adversely affect our business operations and financial condition.

Summary of litigations are given below:

Particulars	No. of Cases/ Disputes	Approximate Aggregate Claim Amount (₹ in Lakhs)
Litigation by or against our company		
Civil cases/ appeal filed against our company	-	-
Criminal cases filed against our company	-	-
Litigation filed by our company		
Civil cases/ appeal filed by our company	1	68.87
Criminal cases filed by our company	-	-

If cases filed by our Company are not decided in favor of our Company, these entities would be deprived of claims receivable from counter party.

For details of the above litigation, please refer to the section titled "Outstanding Litigations and Defaults" appearing on page 88 of this Letter of offer.

6. The nature of our manufacturing operations includes potential operating hazards, the occurrence of which has the capacity to disrupt both our business operations and our financial well-being.

Our business operations involve risks and hazards which may affect our profitability, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, infrastructure failure and improper handling of raw materials. The loss or shutting down of our facilities due to uncertainty caused by operating hazards, could disrupt our business operations and affect our results of operations & financial conditions.

7. Our operations are subject to various health and safety laws and regulations. Our failure to comply with environmental laws and similar regulations in India, including improper handling of raw materials and finished goods, may result in significant damages and may have an adverse effect on our business, financial condition and results of operations.

We purchase and store Chlorine gas cylinders which are toxic/explosive and use such product in the manufacturing process. We are required to obtain and renew certain licenses under Explosives Act, 1884 and Health and Safety permits from Directorate Industrial Safety and Health Gujarat State which stipulates certain conditions and are required to comply with. Any failure in compliance of conditions stipulated while issuing licenses/permits/certificate may lead to cancellation of such registration and due to which it could adversely affect our business, financial conditions and results of operations.

Further, we are subject to various environmental laws and regulations relating to environmental protection in local areas where our factory is situated. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to comply any of the conditions stipulated while issuing licenses/permits/certificate may lead to cancellation of such registrations which could affect our business, financial conditions and results of operations.

8. We require Consent from Gujarat Pollution Control Board (GPCB), Gandhinagar under the Water (Prevention And Control of Pollution) Act, 1974 for the Discharge of Trade Effluent & Emission due to operation of Industrial plant for manufacturing process of various types of chemicals and we are subject to inspection under the GPCB.

At present our Company has received consent from Gujarat Pollution Control Board which is valid upto February 25, 2028 and is required to be renewed subject to compliance of the conditions stated in the consent letter issued by the GPCB. There is no water effluent by Issuer Company and for air effluent we are having scrubbing system. Inspection proceedings are undertaken by the GPCB for our manufacturing plant at a regular intervals for inspection for the Discharge of Trade Effluent & Emission and consent shall be lapsed automatically at any time if the board observed not proper discharge of trade effluent from our industrial plant as per the norms of GPCB mentioned in the consent letter. If any such action taken by GPCB against our Company which will affect our operations and may adversely affect financial positions of the Company.

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

Modernisation and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may not have the competitive edge. Although we strive to keep our technology, equipments and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment's installed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations.

10. Obsolescence, destruction, theft, breakdowns of our plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.

Obsolescence, destruction, theft or breakdowns of our plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original

machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations.

11. We have experienced negative cash flows in some of the previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in some of the previous years and the same are summarized as under.

(₹ in Lakhs)

Particulars	For the	For the financial year ended		
	period ended December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Cashflow from Operating Activities	-515.22	1,370.06	-298.79	851.12
Net Cashflow from Investing Activities	-186.09	-72.90	-49.60	-13.66
Net Cashflow from financing Activities	700.96	-1,295.93	349.04	-839.26
Net Increase/ (Decrease) in cash & cash equivalents	0.35	1.23	0.65	-1.80

12. We have not entered into any technical support service contract for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.

Our manufacturing operations are reliant on the consistent and daily utilization of a diverse range of technical equipment and machinery. These integral components of our operations necessitate regular and scheduled maintenance checks, as well as prompt technical support in the event of unexpected breakdowns or malfunctions. However, it is noteworthy that our company has not taken the initiative to establish any formal technical support service contracts with proficient third-party providers.

In circumstances where technical challenges arise and require swift resolution, our current lack of established technical support agreements could potentially lead to extended periods of downtime. This downtime, if not effectively minimized, carries the inherent risk of impeding our overall productivity and operational efficiency. Furthermore, our business continuity could be jeopardized, potentially translating into adverse implications for our financial performance and results of operations.

13. Volatility in the prices of raw materials, may adversely impact our total cost of goods sold and profitability of our company.

Our Company mainly purchases raw materials from various suppliers for our manufacturing operations. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our manufacturing operations. The prices of raw materials largely depends on the market conditions and overall demand of it, any increase in prices of raw material is generally passed on to our customers. However, any adverse fluctuations in the price which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

14. Our business operations demand substantial working capital. If we are unable to uphold the necessary level of working capital essential for our business, it could have an adverse effect on our operations.

Our business requires significant amount of working capital towards debtors, inventories and cash and cash equivalents. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors, in case

these debtors failed to pay our outstanding may result in a severe working capital shortage that may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” on page 48 of this Letter of Offer.

15. We are highly dependent on smooth supply and transportation and timely delivery of our products from our manufacturing facilities 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 from our manufacturing facilities to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in road infrastructure or other events could impair our procurement of raw materials and our ability to supply our products to our customers which in turn may adversely affect our business operations and our financial conditions.

16. We have not taken any insurance coverage for employees health related issue.

We store hazardous raw material in manufacturing facility, which could lead to accidents having adverse effect on our manpower. Handling of materials by labour during production process or otherwise, may result into accidents, which could cause injury to our employees. We have registered under ESI Act, 1948 to take the care of health related issue of employees. Any accidental occurrence to our employees may hamper our production and consequently affect our capacity to recruit the employees.

17. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are obligated to adhere to the rules and regulations stipulated by both the Stock Exchanges and SEBI pertaining to ongoing listing requirements, as well as the provisions outlined in the Companies Act, 2013 and rules framed thereunder. The occurrence of any non-compliance with these established rules and regulations, or the dissemination of inaccurate information to the Stock Exchange or any legal authority, could lead to the imposition of penalties upon our organization. These penalties have the potential to exert a detrimental impact on our business and operational functions.

There has been, on few occasions, inadvertent Non Compliances/ Delay Compliances done by our Company as required under the provisions of SEBI LODR Regulations, Insider Trading Regulations, SEBI Takeover Regulations. We believe, we are in compliance with rules and regulations imposed by the NSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing/ Delay Filing to the NSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

18. The present corporate promoter Sanginita Industries LLP may enter into similar line of business activity in which issuer Company is engaged which may create a conflict of interest, Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with our corporate promoter.

At present, our corporate promoter M/s. Sanginita Industries LLP is not carrying any business activity however, it objects are similar to our company's business activities and for which our Company has not signed any agreement / document with our promoter company so as to confirm that it will not manufacture or sell products to our customers. Our corporate promoter may expand their business in the future that may compete with us. The interests of our corporate promoter may conflict with our Company's interests and / or with each other.

19. Our trademark is registered under the Trade Marks Act, 1999. However, we may be required to renew the same from time to time. If not renewed, our ability to use the trademark may be impaired.

Our trademark is registered under the Trade Marks Act, 1999. We may be required to make an application for renewal of registration for Trademark from time to time. Our Company's business may be affected due to our

inability to protect our existing and future intellectual property rights. As trademark of our company is not registered, we do not enjoy the statutory protections accorded under trademark registry in India and cannot prohibit the use of such name and logo by anybody by means of statutory protection.

20. We have entered into related party transactions and may continue to do so in the future.

Our Company has entered into certain transactions with our related parties. While we believe that all such transactions have been conducted on the arms-length basis, there can be no assurance that we could not have been achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

21. Our success depends heavily upon our individual Promoters for their continuing services, strategic guidance and financial support.

Our success depends heavily upon the continuing services of promoter Director Mr. Dineshsinh Bhimsinh Chavada and Mr. Vijaysinh Dineshsinh Chavda, who are the natural person in control of our Company. They currently serve as Executive Directors and their experience, strategic guidance, financial support and vision have played a key role in achieving our current market position. We would depend significantly on our Key Managerial Persons for continuing growth of our Company. If our Executive Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and due to which our business, financial condition, results of operations and prospects may be materially and adversely affected.

22. Our Company has not entered into any long-term contracts with any of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our Company has had long standing business relationships with various customers and has been selling our products to such customers for several years. However, we have not entered into any specific contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products.

23. Our Company has entered into loan agreements with various banks which contain restrictive covenants.

As per our current financing arrangements with the Banks, we are subject to certain restrictive covenants encompassing Information Covenants, General Covenants, Financial Covenants, and Restricted Payment Covenants, which require us to obtain prior consent of the lender bank i.e. Axis Bank Limited. It is important to note that the restrictive covenants incorporated in our loan agreements with lender bank i.e. Axis Bank Limited are standard terms customary in financial arrangements of this nature. These covenants are consistent with regular practices observed in lending and borrowing transactions. Among these, the restricted payment covenants encapsulate the following key points:

Nature of Restricted Payment	Conditions
Director/ Shareholder etc. Loans	The borrower shall not repay any principal or interest on any loans availed from the shareholders/ directors/ partners (including the partners contribution)/ proprietor/ co-parceners, relative friends or any other affiliates (as the case may be), as at the date of the execution of this Agreement without prior written consent of the Bank.
Divided payments to shareholders	The Borrower shall not declare dividend for any year except out of profits of the current year and subject to not default in payment/ repayment obligation to the Bank and prior written approval of the Bank being obtained.
Loan/ Liability Repayment	The Borrower shall not make any repayment of loans/ deposits and/ or discharge other liabilities, except as stated in the funds flow statement of the borrower approved by the Bank.

Merger/ Amalgamation, Buy Back of Shares	The Borrower shall not without the prior written approval of the Bank enter into any merger/ amalgamation etc. or do a buyback.
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Given the specifications of these covenants, our Right Issue can progress without necessitating prior written approval from the lending bank. For further details on the terms and conditions, see Indebtedness under the section titled "Our Business" beginning on page 65 of the Letter of Offer.

24. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

We are insured for a number of the risks associated with our several businesses, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. We believe we have got our assets and goods adequately insured; 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, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

25. We have unsecured loans from promoters and promoter group, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations.

As per our financial statements, as on December 31, 2023, we have unsecured loan of ₹ 305.30/- Lakhs from promoters and promoter group which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to section "Financial Information" beginning on page 80 of the Letter of Offer.

26. In the event there is any delay in the completion of the Rights Issue, there would be a corresponding delay in completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "Objects of the Issue" on page 48 of the Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations.

27. We have not identified any alternate source of raising the funds required for our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company.

28. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.

Our funding requirement set out in the chapter "Objects of the issue" on page 48 of this Letter of Offer are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilize the proceeds from the Issue for certain objects of the Issue. We may make necessary changes to the utilisation of Issue Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Issue Proceeds, any increased fund deployment for a particular

activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

29. Our business depends on our manufacturing facility and any loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.

Our manufacturing facilities are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lockouts, severe weather, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse effect on our business, financial condition and results of operations.

30. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

31. Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations.

In addition, we believe that our ability to implement our business and growth strategies will also depend on our ability to expand the capacity at our existing manufacturing facilities or setting up new manufacturing facilities. Further, the increased installed manufacturing capacity at these facilities may not, in the future, be adequate for us to implement our business and growth strategies. In addition, our proposed expansion plans may be subject to time and cost overruns.

Our inability to maintain our growth or failure to successfully implement our growth strategies within time and cost expectations could have an adverse impact on the results of our operations, our financial condition and our business prospects.

32. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

33. Our manufacturing activities are dependent upon availability of skilled and unskilled labour.

Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

We rely on the skills, expertise and experience of our employees. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the chemical industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel or any material increase in employee costs as a result of the shortage of skilled employee, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results.

34. Our inability to successfully complete the Rights Issue Process or implement our expansion could have an effect on our business, financial condition, cash flows and results of operations.

In case the Company is unable to successfully complete the Rights Issue due to variety of reasons i.e. not able to receive minimum subscription, not getting approval from Stock Exchange or SEBI or any other reasons, the expansion project of the Company will be delayed or postponed, in such case the growth, profitability and cashflow of the Company will get affected.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to maintain the quality of our products.

We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively could have an adverse effect on our business and results of operations.

EXTERNAL RISK FACTORS

35. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

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

Our Company is subject to various regulations and policies. 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.

37. 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.

38. Our majority Revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.

We derive majority of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

39. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

40. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

41. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

42. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect the Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

43. An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a

signification portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

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SECTION IV- INTRODUCTION

THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on July 14, 2023, in pursuance of Section 62(1)(a) of the Companies Act, 2013.

Following table summarizes the present Issue in terms of this Letter of Offer:

Equity Shares outstanding prior to the Issue	1,72,67,700 (One Crore Seventy Two Lakh Sixty Seven Thousand Seven Hundred) Equity Shares
Rights Equity Shares offered in the Issue	86,33,850 Rights Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	2,59,01,550 Equity Shares
Rights Entitlement	1 Rights Share for every 2 fully paid-up Equity Shares held on the Record Date
Record Date	May 07, 2024
Face Value per Equity Share	₹10.00/- each
Issue Price per Equity Share	₹ 18/- including a premium of ₹ 8/- per Rights Equity Share.
Issue Size (Assuming full subscription for the Issue)	₹ 1,554.09/- Lakhs (Rupees Fifteen Crore Fifty Four Lakhs Nine Thousands Only)
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is in odd figure the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Terms of the Issue	Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on page 101 of this Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 48 of this Letter of Offer.
Security Code/ Scrip Details	ISIN: INE753W01010; NSE Scrip ID: SANGINITA; ISIN for Rights Entitlements: INE753W20010

TERMS OF PAYMENT

Amount payable per Rights Shares	Face Value	Premium	Total
On Application	₹ 10.00	₹ 8	₹ 18*
Total	₹ 10.00	₹ 8	₹ 18

*Constitutes 100% of the Issue Price.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	Wednesday, May 15, 2024
Last date for On Market Renunciation of Rights	Tuesday, May 21, 2024

Issue Closing Date*

Monday, May 27, 2024

*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

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GENERAL INFORMATION

Our Company was incorporated as Sanginita Chemicals Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated December 15, 2005 issued by the Registrar of Companies, Ahmedabad, Gujarat. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Sanginita Chemicals Limited and fresh certificate of incorporation dated December 23, 2016 was issued by the Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is L24100GJ2005PLC047292.

Our Company Related Information

Company	Sanginita Chemicals Limited
Registered Office Address	301, 3rd Floor, Shalin Complex, Sector -11, Gandhinagar - 382 011, Gujarat, India
Contact Details	+91 79 23240270
Facsimile	NA
Email-ID	sanginitachemicals@yahoo.com
Website	http://www.sanginitachemicals.co.in/
Corporate Identification Number	L24100GJ2005PLC047292
Registration Number	047292

The Company does not have a separate corporate office. Hence, the registered office and corporate office is one and same.

Designated Stock Exchange

Our Company's Equity Shares are listed on National Stock Exchange of India Limited ("NSE").

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot no. C/1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051

Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, Ahmedabad located at ROC Bhavan, Opp Rural Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad- 380 013, Gujarat, India.

Board of Directors

Our Company's board comprises of the following Directors:

Name	DIN	Designation	Age	Residential Address
Mr. Dineshsinh Bhimsinh Chavada	01497977	Chairman & Managing Director	65 years	Plot 512/2 Kolavda Nagar Society, Sector - 28, Gandhinagar – 382 028, Gujarat, India
Mr. Vijaysinh Dineshsinh Chavda	00479413	Whole Time Director	43 years	Plot 512/2 Kolavda Nagar Society, Sector - 28, Gandhinagar – 382 028, Gujarat, India
Mrs. Hansaben Dineshsinh Chavada	00479509	Non-Executive Director	64 years	Plot 512/2 Kolavda Nagar Society, Sector - 28, Gandhinagar – 382 028, Gujarat, India

Name	DIN	Designation	Age	Residential Address
Mr. Jagdishkumar Vajaji Thakor	07702521	Independent Director	41 years	1-2-15, Hirabhai Ni Chali, Nr. Kadiya vaschandani Dehgam, Gandhinagar – 382305, Gujarat, India
Mr. Faiyazkhan Yusufkhan Pathan	07702208	Independent Director	65 Years	Plot 1550/1, Sector 6, Mansa, Gandhinagar – 382006, Gujarat, India
Mr. Pramodsinh Dabhi	08441361	Independent Director	41 Years	1488-Chh, Swaminarayan Society, Unava, Gandhinagar - 382650

For further details of the Board of Directors, please refer to the section titled "Our Management" beginning on page 75 of this Letter of Offer.

Details of Key Intermediaries pertaining to this Issue and our Company

Company Secretary and Compliance Officer	
<p>Ms. Saroj Jagetia Address: 301, 3rd Floor, Shalin Complex, Sector -11, Gandhinagar - 382 011, Gujarat, India Contact Details: +91 79 23240270 Email-ID: sanginitachemicals@yahoo.com</p>	
Chief Financial Officer	
<p>Ms. Sangitaben Dineshsinh Chavda Address: 301, 3rd Floor, Shalin Complex, Sector -11, Gandhinagar - 382 011, Gujarat, India Contact Details: +91 79 23240270 Email-ID: sanginitachemicals@yahoo.com</p>	
Lead Manager to the Issue	Registrar to the Company and Issue
<p>Fintellectual Corporate Advisors Private Limited 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1, Extension, Delhi – 110091 Contact No.: +91 11 48016991 Fax No.: NA E-mail ID: info@fintellectualadvisors.com Website: www.fintellectualadvisors.com Contact Person: Mr. Pramod Negi SEBI Registration No.: INM000012944 CIN: U74999DL2021PTC377748</p>	<p>Purva Sharegistry India Private Limited 9, Shiv Shakti Industrial Estate, JR Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 011, Maharashtra, India Contact No. : +91-022-49614132/ 35220056 Fax No.: NA E-mail ID / Investor grievance e-mail: newissue@purvashare.com Website: www.purvashare.com Contact Person: Ms. Deepali Dhuri, Compliance Officer SEBI Registration Number: INR000001112 CIN: U67120MH1993PTC074079</p>
Statutory and Peer Review Auditor	Legal Advisor to the Issue
<p>M/s. Devpura Navlakha & Co., Chartered Accountants 401, Ashoka Complex, Near Golden Triangle, Sardar Patel Stadium Road, Navrangpura, Ahmedabad – 380 014, Gujarat, India Firm Registration No.: 121975W Peer Review No.: 012581 Contact No.: +91 9825933470 E-mail ID: devpuraad1@rediffmail.com Contact Person: Mr. Ashwini Devpura</p>	<p>Nirav J Modi, (Advocate & Notary) 5, Jay Gujarat Co. Opp. Housing So. Ltd., Opp. Police Commissioner Office, Shahibaug, Ahmedabad, Gujarat- 380004 Bar Council No.: G/1969/2000 Tel: +91-9825688763 Email Id: nirav19761263@yahoo.com Contact Person: Mr. Nirav J. Modi</p>

Bankers to the Issue/ Refund Banker	Bankers to the Company
Axis Bank Limited Axis House", 6th Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Wodi, Mumbai - 400025 Contact Person: Vishal M. Lade E-mail ID: vishal.lade@axisbank.com Contact Details: 022 24253672 Website: www.axisbank.com SEBI Registration Number: INBI00000017	Axis Bank Limited Axis House", 6th Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Wodi, Mumbai - 400025 Contact Person: Vishal M. Lade E-mail ID: vishal.lade@axisbank.com Contact Details: 022 24253672 Website: www.axisbank.com SEBI Registration Number: INBI00000017

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS

There has been no changes in the statutory auditors of our Company in past 3 (three) financial years.

INVESTORS GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Rights Issue or post-Rights Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' beginning on page 101 of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

EXPERT TO THE ISSUE

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

Our Company has received a written consent from our Statutory Auditors, M/s. Devpura Navlakha & Co., Chartered Accountants, to include their name in this Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated August 11, 2023, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	May 09, 2024
Issue Opening Date	May 15, 2024
Last Date for On Market Renunciation of Rights Entitlements#	May 21, 2024
Issue Closing Date*	May 27, 2024
Finalization of Basis of Allotment (on or about)	May 29, 2024
Date of Allotment (on or about)	May 30, 2024

Date of credit (on or about)	June 05, 2024
Date of listing (on or about)	June 06, 2024

Note:

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

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

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., May 23, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., May 24, 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 101 of this Letter of Offer. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.purvashare.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see '**Credit of Rights Entitlements in demat accounts of Eligible Shareholders**' under the section titled '**Terms of the Issue**' beginning on page 101 of this Letter of Offer.

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

CREDIT RATING

As the proposed Rights Issue is of Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As the proposed Rights Issue is of Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Rights Issue size does not exceed ₹100 crores, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations. However, the board of directors of our company would be monitoring the utilization of the proceeds of the issue.

APPRAISING ENTITY

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

UNDERWRITING

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

FILING

Since the size of this Issue falls under the threshold as prescribed under Regulation 3 of the SEBI (ICDR) Regulations, the Draft Letter of Offer had been filed with NSE and will not be filed with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the NSE.

MINIMUM SUBSCRIPTION

The Promoters of our Company have, vide their letters dated August 04, 2023 ("Participation Letters") indicated that they will subscribe in part or to the full extent of their Rights Entitlements. Further, the promoters have also undertake that they shall subscribe in part or in full to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 48 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

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CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Letter of Offer prior to and after the proposed Right Issue, is set forth below:

(₹ in Lakhs)			
Sl. No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	2,70,00,000 (Two Crores Seventy Lakhs) Equity Shares having face value of ₹ 10.00/- each	2,700.00	NA
B	Issued, Subscribed & Paid-up Share Capital prior to the Rights Issue		
	1,72,67,700 (One Crore Seventy Two Lakhs Sixty Seven Thousand Seven Hundred) Equity Shares having face value of ₹10.00/- each fully paid up before the issue	1,726.77	NA
C	Present Rights Issue in terms of this Letter of Offer		
	Issue of 86,33,850 equity shares of ₹10/- each at a price of ₹ 18/- per equity share	863.39	1,554.09
D	Issued, Subscribed & Paid-up Share Capital after the Rights Issue#		
	2,59,01,550 (Two Crore Fifty Nine Lakh One Thousand Five Hundred Fifty) Equity Shares having face value of ₹10.00/- each fully paid up before the issue	2,590.16	NA
E	Securities Premium Account		
	Before the Issue	631.57	
	After the Issue#	1,322.28	

#Assuming full subscription for allotment of Rights Equity Shares.

Note: The present Rights Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on 14th July, 2023.

Notes on Capital Structure

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
3. As on the date of this Letter of Offer, our Company has not issued any special voting rights shares and there are no outstanding Equity Shares having special voting rights.
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 23.66 (Rupees Twenty Three and Paise Sixty Six Only).
5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

6. **Details of stock option scheme of our Company**

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer**

None of the members of the Promoter and Promoter Group of the Company have acquired any Equity Shares in the last one year prior to the filing of this Letter of Offer.

9. **Intention and participation by the promoter and promoter group**

The Promoters and members of the Promoter Group of our Company through its letters dated August 04, 2023, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Further, the Promoters and members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters and members of our Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

10. **Shareholding Pattern of our company**

a) The shareholding pattern of our Company as on March 31, 2024 is as follows:

Particulars	NSE Limited's URL
Summary statement holding of specified securities	
Statement showing shareholding pattern of the Promoter and Promoter Group	https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SANGINITA&tabIndex=equity
Statement showing shareholding pattern of the Public shareholder	
Statement showing shareholding pattern of the Non Promoter- Non Public shareholder	
Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.	

b) Details of shareholders holding more than 1% of the pre-Issue paid up capital of our Company as on date of this Letter of Offer –

Name of shareholder	Category of shareholder	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Dineshsinh Bhimsinh Chavada	Promoter	29,25,900	29,25,900	16.94	29,25,900	16.94	29,25,900
Vijaysinh Dineshsinh Chavda	Promoter	4,47,221	4,47,221	2.59	4,47,221	2.59	4,47,221
Sanginita Industries LLP	Promoter	57,20,900	57,20,900	33.13	57,20,900	33.13	57,20,900
Hansaben Dineshsinh Chavada	Promoter Group	5,77,660	5,77,660	3.35	5,77,660	3.35	5,77,660
Anita Ravindrasinh Aswar	Promoter Group	7,28,430	7,28,430	4.22	7,28,430	4.22	7,28,430
Total		1,04,00,111	1,04,00,111	60.23	1,04,00,111	60.23	1,04,00,111

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SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects:

1. Working Capital Requirement;
2. Capital Expenditure;
3. General Corporate Purpose; and
4. Issue Expenses

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

In addition to the aforementioned objects, our Company intends to strengthen its capital base.

ISSUE PROCEEDS:

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

		(₹ In Lakhs)
Particulars		Amount
Gross Proceeds from the Issue*		1,554.09 #
Less: Estimated Issue related Expenses		45.00
Net Proceeds from the Issue		1,509.09

Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

FUND REQUIREMENTS

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

Requirement of Funds

		(₹ In Lakhs)	
Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds
1)	Working Capital Requirement	659.00	659.00
2)	Capital Expenditure	500.00	500.00
3)	General Corporate Purpose	350.09	350.09
	Total of Net Proceeds	1,509.09	1,509.09

The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, taxes and duties, working capital margin and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards meeting incremental working capital requirements is lower than the proposed deployment, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects as per the estimated

scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects.

The above stated fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or independent agency. Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. In case the Net Proceeds are not completely utilised in a scheduled financial year due to any reason, the same would be utilised (in part or full) in the next financial year / subsequent financial year as may be determined by our Company, in accordance with applicable law. For further details, see '*Risk factors – 30 'There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.'*' on page 34.

No part of the issue proceeds will be paid as consideration to Promoters, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

DETAILS OF THE OBJECTS OF THE ISSUE

1) TO MEET INCREMENTAL WORKING CAPITAL REQUIREMENTS:

We are engaged in manufacturing of chemicals such as Cuprous Chloride, Cupric Chloride, Copper Sulphate, etc which are used in dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries.

As on March 31, 2023 the Company's net working capital consisted of ₹ 5,956.48 Lakhs as against the ₹ 6,992.95 Lakhs as on March 31, 2022 which was met from Short Term Borrowings and Internal Accruals. The total working capital requirement for F.Y. 2024-25 is estimated to be ₹ 7,078.00 Lakhs. As on the date of this Letter of Offer we meet our working capital requirements in the ordinary course of its business from capital, internal accruals, working capital loans and other banking facilities from the Banks.

Basis of estimation of working capital requirement and estimated working capital requirement:

Particulars	(₹ in Lakhs)				
	F.Y. 2021-2022	F.Y. 2022-2023	31-12-2023	F.Y. 2023-2024	F.Y. 2024-2025
	Audited	Audited	Audited	Provisional	Projected
Current Assets					
Inventories	2,388.54	2,691.85	2,996.17	3,050.00	2,950.00
Trade Receivables	2,510.21	2,548.68	2,951.31	2,975.00	3,050.00
Cash and Bank Balance	1.49	2.72	2.37	2.50	2.50
Other Financial Assets	-	-	-	-	-
Other Current Assets	2,586.24	1,786.80	1,903.21	1,880.00	2,050.00
Total Currents Assets (A)	7,486.48	7,030.05	7,853.06	7,907.5	8,052.50
Less: Current Liabilities					
Trade Payables	414.87	971.79	890.02	900.00	890.00
Other Financial Liabilities	-	-	-	-	-
Other Current Liabilities	67.31	89.08	67.9	69.5	72.00
Short Term Provisions	11.35	12.70	43.63	10.00	12.50
Total Current Liabilities (B)	493.53	1,073.57	1,001.55	979.50	974.50
REQUIREMENTS (A-B)	6,992.95	5,956.48	6,851.51	6,928.00	7,078.00
Bank Finance	3,095.87	2,651.50	3,036.39	3,225.00	3,000.00
Internal Accruals	3,897.08	3,304.98	3,815.12	3,703.00	3,419.00
Proceeds from the Issue	-	-	-	-	659.00

As per our estimates we would require upto ₹ 659.00/- Lakhs out of the issue proceeds to meet the working capital requirements.

The incremental working capital requirements and deployment are based on projected data, based on the experience of our management team and our internal management appraisal and estimation of the future requirements considering the growth in the activities of our Company. The projections are progressive and depend on various market, economic and geopolitical and global factors. Hence it may vary substantially on either side, or any judgments or decision can be taken only after considering all these risk factors.

Particulars	Nos. of Days Holding Level as of FY 2024-25 (Projected)
Inventories	67.19
Trade Receivables	67.47
Trade Payables	23.69

Justification of Holding Level

Inventories	Inventories holding days are in line with the existing Inventories holding period
Trade Receivables	Trade Receivable days are in line with the existing Trade Receivable period
Trade Payables	Trade Payable days will be in line with the existing Trade Payable period.

2) CAPITAL EXPENDITURE

Our Factory situated at GIDC, Chhatral has an installed capacity of 60,00,000 Kgs/p.a., 54,00,000 Kgs./p.a. and 3,50,000 Kgs./p.a. respectively for Cuprous Chloride, Copper Sulphate and Cupric Chloride etc. which are used in dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries etc. Seeing at the demand from various customers, the Company proposes to expand the installed capacity of Copper Sulphate from present 54,00,000 Kgs/p.a. to 84,00,000 Kgs/p.a. (“expansion project”) which is within the permissible limits of Pollution control Board’s approval. The said expansion of installed capacity is proposed to be commissioned by June 2024 and shall be operational immediately after commissioning, within the existing factory premises of the Company. For this purpose, the Company is required to incur expenditure for civil work, fabrication structure, plant & machineries including fire safety equipments and other related miscellaneous expenditure.

For further details see “Our Business” on page 65. We intend to utilise part of the Net Proceeds towards the cost for increasing the production capacity of Copper sulphate.

Estimated cost

The total estimated cost of the expansion project is ₹ 500 Lakhs, as estimated by our management in accordance with our business plan and as specified in the Project Report. The detailed break-down of estimated cost of the expansion project is set forth below.

(₹ in Lakhs)			
Sr. No.	Items	Estimated Cost	Amount proposed to be utilised from Net Proceeds
1.	Civil Work to be carried out	74.82	74.82
2.	Fabrication Structure (material cost)	60.00	60.00
3.	Labour Charges for fabrication	15.00	15.00
4.	Plant and Machineries	315.75	315.75
5.	Fire Safety and Other Misc. Expenses	34.43	34.43
	Total	500.00	500.00

In accordance with the terms of the quotation received by the Company, the prices in relation to the above including for plant and machineries may be subject to revisions during the validity period of such quotation due to varieties of reasons including but not limited to price revision. The Company may also endeavour to reduce the cost under various head for the expansion project by further negotiation, efficient utilisation of existing resources

etc. There may be inter se adjustments amongst each of the above items of the expansion project. If there is any increase or decrease in the aggregate costs of the expansion project, the same will be adjusted either under the head of General Corporate purpose (subject to maximum cap under that head) or under the head of working capital requirement as specified in this Letter of Offer.

Sr. No.	Particulars	Name of proposed Vendor providing quotation	Amount (₹ In Lakhs)	Quotation/ work order date
1.	Civil Work to be carried out 142'-0" X 70'-3" SHED (Height- 12 mt) Civil & Fabrication Work	S D Brothers Construction Industrial Shed Developer Kalol, Gandhinagar	74.82	06/04/2024
2.	Fabrication Structure (including Material for Fixing & Erection)	Industrial Steel Corporation Kalol, Gandhinagar	60.00	06/04/2024
3.	Labour Charges including Shifting, Fittings, Fixing and Errection)	Industrial Steel Corporation Kalol, Gandhinagar	15.00	06/04/2024
4.	Other Misc. Expenses including Fire Safety	Self- Assessment	34.43	N.A.

A list of such plant and machinery that we intend to purchase, along with details of the quotations/ work orders we have received/placed in this respect is set forth below:

Sr. No.	Description of Plant and Machinery	Name of proposed Vendor providing quotation	Quantity	Amount (₹ In Lakhs)	Quotation/ work order date
1.	S S 316 Jacket Vessals	Saideep Fabricators Chhatral, Gandhinagar	5	117.70	09/04/2024
2.	Centrifuge Machine	Skylab Engineers and Fabricators Ahmedabad	3	12.75	06/04/2024
3.	Drying Unit	Vira Engineering Dehgam, Gandhinagar	1	14.90	09/04/2024
4.	I.B.R. Stream Boiler	Balkrishna Boilers Pvt. Ltd Vatva, Ahmednad	1 set	62.95	06/04/2024
5.	Electric Work	A to Z Electricals Kalol, Gandhinagar	-	18.09	08/04/2024
6.	M S Glasslined Non GMP model reactor (20,000 Ltr.)	Sachin Industries Limited Vatva, Ahmedabad	1	40.00	06/04/2024
7.	M S Glasslined Non GMP model reactor (16,000 Ltr.)	Sachin Industries Limited Vatva, Ahmedabad	1	34.50	06/04/2024
8.	Machinery Installation and wiring fixing material	No specific vendor	N.A.	14.86	N.A.
Total				315.75	

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

The cost to be incurred for the expansion project is based on the present estimates of our management. Our Company shall have the flexibility to incur the required expenditure according to the business requirements and based on the estimates of our management.

3) GENERAL CORPORATE PURPOSE:

The application of the Issue proceeds for general corporate purposes would include but not be restricted to financing our working capital requirements, capital expenditure, deposits for hiring or otherwise acquiring business premises, meeting exigencies etc. which we in the ordinary course of business may incur. Our Management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to use ₹ 350.09 lakhs for general corporate purposes.

4) ISSUE EXPENSES:

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ 45.00 Lakhs towards these expenses, a break-up of the same is as follows:

The break-down of the estimated Issue expenses is disclosed below.

(₹ in Lakhs)				
Sr. No.	Particulars	Amount* ^	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)#
1.	Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	22.00	48.89%	1.42%
2.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	7.00	15.56%	0.45%
3.	Regulatory fees, filing fees, listing fees and other miscellaneous expenses	16.00	35.56%	1.03%
	Total estimated issue expenses	45.00	100.00%	2.90%

* Subject to finalization of the Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

^Excluding taxes

#Assuming full subscription

Means of Finance

(₹ in Lakhs)	
Particulars	Amount
Gross Proceeds of the Issue	1,554.09*

* Assuming full subscription

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Appraisal Report

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

Bridge Financing Facilities

We have currently not raised any bridge loans against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Issue Proceeds.

Interim Use of Funds

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above from the Rights Issue, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled

commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties, except in the ordinary course of business.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies.

Variation on Objects

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the issue without our Company being authorised to do so by the shareholders by way of Special Resolution through postal ballot. Our promoter or controlling shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as prescribed by SEBI, in this regard.

Shortfall of Funds

In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

Monitoring of Issue proceeds

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

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

The Promoters and Promoter Group of our Company amongst themselves, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Directors or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

**The Board of Directors,
Sanginita Chemicals Limited**
301, 3rd Floor, Shalin Complex,
Sector 11, Gandhinagar - 382 011.

Dear Sir/ Madam,

Subject: Statement of possible Tax Benefits available to M/s Sanginita Chemicals Limited and its shareholders in connection with the proposed Rights Issue of equity shares of the face value of Rs. 10/- each (hereinafter referred to as "Issue" or "Rights Issue") pursuant to SEBI – ICDR Regulations, 2018 as amended and the Companies Act, 2013 as amended.

This certificate is issued in accordance with the terms of our engagement letter dated August 05, 2023.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II are available to the Company and its shareholders. We hereby confirm that the enclosed Annexure, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

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

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the Letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Company in connection with the Issue and in accordance with applicable law, and for the purpose of any defence

the Company may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may also be relied upon by the Company, their affiliates and the legal counsel in relation to the Issue.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

**For Devpura Navlakha & Co.
Chartered Accountants
FRN: 121975W**

**Sd/-
Ashwini Devpura
(Partner)
M. No. 047390
UDIN: 23047390BGQPYJ9655**

**Place: Ahmedabad
Date: 11/08/2023**

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**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SANGINITA CHEMICALS LIMITED
(‘COMPANY’) AND ITS SHAREHOLDERS**

1. Under the Income Tax Act, 1961 (‘Act’)

a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non -residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

**For Devpura Navlakha & Co.
Chartered Accountants
FRN: 121975W**

**Sd/-
Ashwini Devpura
(Partner)
M. No. 047390
UDIN: 23047390BGQPYJ9655**

**Place: Ahmedabad
Date: 11/08/2023**

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STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SANGINITA CHEMICALS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Central Goods and Services Tax Act, 2017/ the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')

a. Special tax benefits available to the Company under the Indirect Tax

There are no special tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

**For Devpura Navlakha & Co.
Chartered Accountants
FRN: 121975W**

**Sd/-
Ashwini Devpura
(Partner)
M. No. 047390
UDIN: 23047390BGQPYJ9655**

**Place: Ahmedabad
Date: 11/08/2023**

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SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also be based on their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

Global Economic Overview

The world economy is in the doldrums, with weak economic growth, stubborn inflation and rising interest rates in the major developed economies clouding the near-term economic outlook. The slowdown in global growth in 2023 is likely to be less severe than previously expected, mainly due to resilient household spending in the developed economies.

The global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation—which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.

For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.

Real GDP, annual percent change	PROJECTIONS		
	2022	2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
United States	2.1	1.8	1.8
Euro Area	3.5	0.9	1.5
Germany	1.8	-0.3	1.3
France	2.5	0.8	1.3
Italy	3.7	1.1	0.9
Spain	3.5	2.5	2.0
Japan	1.1	1.6	1.0
United Kingdom	4.1	0.4	1.0
Canada	3.4	1.7	1.8
Other Advanced Economies	2.7	2.0	2.3
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.3	3.3	3.0
China	1.0	5.2	4.8
India	7.2	5.1	6.3
Emerging and Developing Europe	3.8	1.8	2.2
Russia	-2.1	1.3	1.3
Latin America and the Caribbean	1.9	1.9	2.2
Brazil	2.9	2.1	1.2
Mexico	3.0	2.6	1.5
Middle East and Central Asia	3.4	2.5	3.2
Saudi Arabia	3.7	1.9	2.8
Sub-Saharan Africa	1.9	3.5	4.1
Nigeria	3.3	3.2	3.0
South Africa	1.9	0.3	1.7
Memorandum			
Emerging Market and Middle Income Economies	1.9	3.9	3.9
Low Income Developing Countries	5.0	4.5	5.2

Source: IMF, World Economic Outlook, July 2023

Emerging Economies Outlook

Growth in emerging and developing Asia is on track to rise to 5.3 percent in 2023, then to moderate to 5.0 percent in 2024, reflecting a modest (0.1 percentage point) downward revision for 2024. The forecast for China is unchanged at 5.2 percent for 2023 and 4.5 percent for 2024, but with a change in composition: Consumption growth has evolved broadly in line with April 2023 WEO projections, but investment has underperformed due to the ongoing real estate downturn in that country. Stronger-than-expected net exports have offset some of the investment weakness, although their contribution is declining as the global economy slows. Growth in India is projected at 6.1 percent in 2023, a 0.2 percentage point upward revision compared with the April projection, reflecting momentum from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment.

Source: *International Monetary Fund, World Economic Outlook Update, July 2023*

Indian Economic Outlook

India grew by 6.1% in the first quarter of fiscal year 2024, which is approximately ~100 bps higher than what the market had anticipated. While the overall growth was broad-based, many sectors such as construction and agriculture experienced more-than-expected growth. In fact, strong growth in manufacturing proved to be a reassuring development as modest growth in the sector in previous quarters had been a concern for policymakers.

On the expenditure side, exports performed well despite global headwinds, while imports recorded their slowest growth since December 2020, primarily because of easing crude oil prices bringing down India's import bills. Private consumption, the largest component of India's final demand, with a modest growth of 7.5% in FY2022–23, emerged as the weakest link in overall growth. The share of private consumption in GDP fell in the last quarter and was the lowest in the past seven quarters, dragged down by weak rural demand. However, things might be changing on that front as well.

Urban demand conditions have remained resilient, as evidenced by the sales of mid- to high-end segments of automobiles, the number of UPI transactions, and domestic air passenger traffic data. Rural demand, which was lagging, has also been rising lately, as seen in the sales of tractors, IIP nondurable goods, and Mahatma Gandhi National Rural Employment Guarantee Act data.

Overall, the first-quarter data of FY2024 instils confidence in the improving health of the economy. Inflation in the first quarter was 4.5%, the lowest since the quarter of September 2019. Goods and Services Tax collections remain strong, suggesting that revenue buoyancy will aid in improving the budgeted fiscal deficit ratio to GDP. At the same time, India's external account has been improving, thanks to the falling import bills as oil prices ease.

Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

Inflationary Conditions

Although manufacturers signalled higher operating costs in April — linked to fuel, metals, transportation and some other raw materials — the overall rate of inflation remained below its long-run average despite quickening since March. Manufacturing output prices have also remained constrained, with 6% of companies having hiked their output prices since March, while 92% left them unchanged. However, the combination of rising input costs and resilient demand resulted in services companies lifting their selling prices in April.



Source: <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/indias-economy-continues-to-expand-as-inflation-moderates-may23.html>

Indian Chemical Industry

Introduction

The chemical industry, which includes basic chemicals and its products, petrochemicals, fertilizers, paints & varnishes, gases, soaps, perfumes & toiletries and pharmaceuticals is one of the most diversified of all industrial sectors covering thousands of commercial products. It plays an important role in the overall development of the Indian economy. The chemical industry in India is a global outperformer in returns to shareholders and remains an attractive hub for chemical companies. A macro perspective on India suggests that while the short-term scenario is challenging, the country's long-term growth story remains positive. The Indian chemical industry has reliably and steadily been creating value – more so than the global chemical industry – on the back of revenue and margin growth and multiples expansion. It has outperformed even in challenging economic times. This has, however, raised expectations for sustained, continual growth of the Indian chemical industry's top and bottom lines.

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 is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

Chemical's market is split into five key segments, which are as under:

- **Bulk Chemicals:** These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals.
- **Petrochemicals & Polymers:** These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas.
- **Fertilisers:** These provide nutrients for plant growth; are divided into organic/inorganic and natural/synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous.
- **Speciality Chemicals:** These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include highvalue, high R&D and low volume.
- **Agrochemicals:** These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. 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%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals. Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040.

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

Source: <https://www.ibef.org/industry/chemical-industry-india>

Indian Chemical Industry- Market Size

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.

An investment of Rs.8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. India is expected to double its specialty chemicals market share in the next five years. Specialty chemical companies are seeking at import substitutions while exploring export opportunities to accelerate their business.

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.



Moreover, according to the CRISIL report, the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.

Advantages In India

1. Growing Demand

- Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market.
- The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

2. Increasing investments and spending

- FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 20.96 billion between April 2000-December 2022.
- In August 2022, Avaada Group sign MoU for a Rs 40,000 crore (US\$ 5 billion) Green Ammonia plant.
- An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

3. Policy support

- The government plans to introduce production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals.
- Under the Union Budget 2023-24 the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.

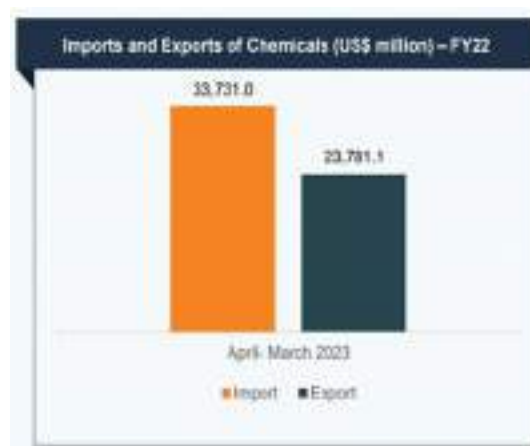
- The PLI plan for the National Programme on Advanced Chemistry Cell Battery Storage has been approved by the Union Cabinet as of May 2021.
- PLI schemes were introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).

4. Opportunities

- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- In July 2021, the government announced discovery of indigenous deposits of phosphatic rocks. This will help expand fertiliser production domestically and boost self-reliance in fertiliser production.
- The Odisha government accepted investment applications worth ~US\$ 345.3 million in the metal, cement, chemical, plastic, food processing and manufacturing sectors in April 2021. This is likely to generate 2,755 jobs.

Chemical Sector Import and Export Statistics

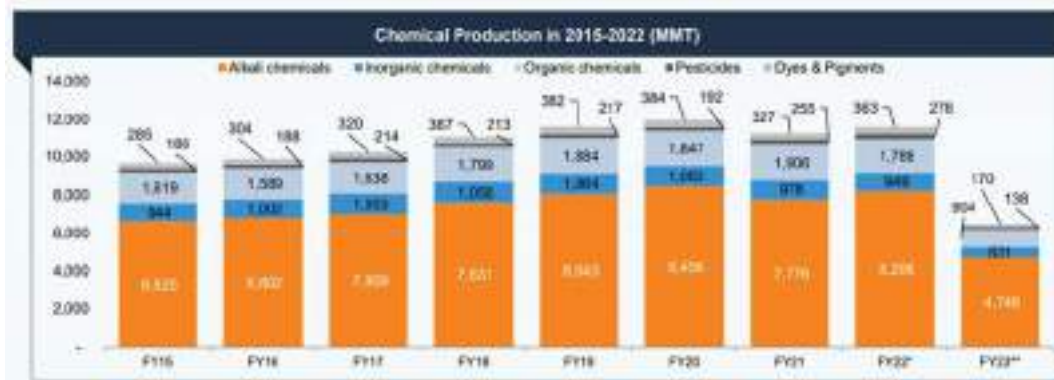
- From April 2022-December 2022, exports of organic (US\$ 7.4 billion) & inorganic (US\$ 1.61 billion) chemicals were estimated at US\$ 9.05 billion.
- Imports of organic (US\$ 14.4 billion) and inorganic (US\$ 7.41 billion) chemicals totaled US\$ 21.82 billion from April 2022 to December 2022.
- From April 2022-December 2022, imports of petroleum, crude and products stood at US\$ 163.78 billion.
- Exports of petroleum products are 73.63 billion during April-December 2022.
- From April-December 2022, the export of agro-chemical was US\$ 4.17 billion, dyes were US\$ 2.03 billion the other miscellaneous chemicals were US\$ 1.23 billion.
- India exports to more than 175 countries in 2022. The major export destinations are USA, China and new destinations viz. Turkey, Russia and North East Asian Countries (China, Hongkong, Japan, Korea RP, Taiwan, Macao, Mongolia).
- Around 50% of the agro-chemicals are exported from India to the world. India is the top producer and exporter of castor oil, with 85-90 % of total global exports in the world.
- India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).



Chemical trends in India

- In FY23, Alkali chemicals stood at 73.1% of the total chemical production.
- Government initiatives such as promotion of small and mid-sized 'Sodium Bicarbonate' and 'Ammonia' processing industries in proximity to soda ash manufacturing units is likely to boost demand for soda ash in the country.

- The specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.



Key Growth Drivers

1. 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.

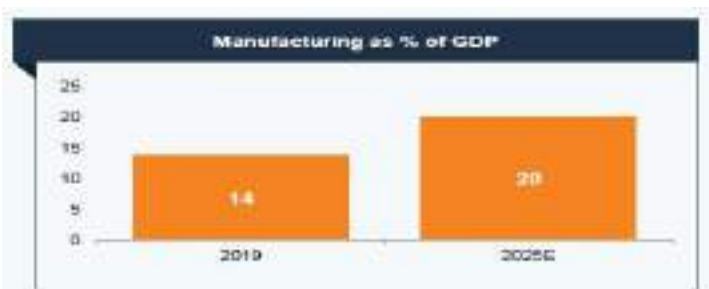


2. Government aims to boost Manufacturing share in GDP to 20% by 2025

Government considers the manufacturing sector to be a key focus area and has contacted ~1,450 companies worldwide to Manufacture in India.

The government plan includes 2-3 autonomous zones which does not have labour and land laws.

~300 companies are actively pursuing production plans in mobiles, electronics, medical devices and textiles.



3. 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.

4.	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.
5.	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.
6.	Skilled And Low-Cost Manpower	The skilled and low-cost labour, world-class engineering and strong R&D set-up enable chemicals industries in India.
7.	Growing End Use Industries	Demand from packaging, construction, automotive and other industries to drive the Indian chemical market

Specialty chemicals - aggressive capex to drive growth

1.	Specialty chemical companies in India have started accelerating their capex plan on the back of strong growth visibility and emerging Opportunities;	<table border="1"> <thead> <tr> <th>Subsegments</th> <th>User Industries</th> </tr> </thead> <tbody> <tr> <td>Paints & Coatings</td> <td>Construction, Automotive</td> </tr> <tr> <td>Special Polymers</td> <td>Packaging Automotive</td> </tr> <tr> <td>Construction Chemicals</td> <td>Infrastructure, Real Estate</td> </tr> <tr> <td>Paper Chemicals</td> <td>Printing, Packaging</td> </tr> <tr> <td>Textile Chemicals</td> <td>Apparel, Technical Textile</td> </tr> <tr> <td>Water Chemicals</td> <td>Industrial Water, Municipal Water</td> </tr> <tr> <td>Cosmetic Chemical</td> <td>Bath, Shower, Haircare</td> </tr> <tr> <td>Flavours & Fragrances</td> <td>Food Processing, Personal Care</td> </tr> <tr> <td>Agro Chemicals</td> <td>Agriculture, Exports</td> </tr> <tr> <td>Home Care Surfactants</td> <td>Laundry Care, Dishwashing</td> </tr> <tr> <td>Colourants</td> <td>Textile, Exports</td> </tr> </tbody> </table>	Subsegments	User Industries	Paints & Coatings	Construction, Automotive	Special Polymers	Packaging Automotive	Construction Chemicals	Infrastructure, Real Estate	Paper Chemicals	Printing, Packaging	Textile Chemicals	Apparel, Technical Textile	Water Chemicals	Industrial Water, Municipal Water	Cosmetic Chemical	Bath, Shower, Haircare	Flavours & Fragrances	Food Processing, Personal Care	Agro Chemicals	Agriculture, Exports	Home Care Surfactants	Laundry Care, Dishwashing	Colourants	Textile, Exports
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2.	Due to growing environmental concerns, many chemical companies in China ceased activities in 2018; this led to an increase in manufacturing of specialty chemicals in the Indian market to ensure uninterrupted supply;																									
3.	Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report;																									
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Favourable initiatives by government

- The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- Under the Union Budget 2023-24, the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.
- 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.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 20.41 billion between April 2000-June 2022.

Source: <https://www.ibef.org/industry/chemical-industry-india>

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OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page no. 27 of this Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page 27, 80 and 82 respectively, of this Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Letter of Offer, all references to "we", "us", "our" and "our Company" are Sanginita Chemicals Limited and Group Entities as the case may be.

OVERVIEW

Company Background

Our Company was incorporated as Sanginita Chemicals Private Limited under the provision of the Companies Act, 1956 vide certificate of incorporation dated December 15, 2005 issued by the Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Consequent upon the conversion of our Company into public limited company, the name of our Company was changed to Sanginita Chemicals Limited and fresh certificate of incorporation dated December 23, 2016 was issued by the Registrar of Companies, Ahmedabad Gujarat. The Corporate Identification Number of our Company is L24100GJ2005PLC047292.

Our Company got listed on SME Platform of NSE i.e. NSE Emerge on March 10, 2017 and subsequently the equity shares of the company got migrated to the main board of NSE w.e.f. July 15,2019.

The Company has initially started production of Cuprous Chloride and Cupric Chloride at its factory situated at 3536/8, Near. GIDC, Chhatral, Dist- Gandhinagar (Unit I). Due to increase in the demand of products of our company in the year 2009, we have started Unit II to enhance our production capacity by installing additional machinery for which we had acquired plot admeasuring area of 11,028 sq. meters situated at 1133, Near GIDC Phase-4 Chhatral, Ta. Kalol, Gandhinagar. The Company has got the consolidated consent order for 45 chemical products for producing 15,00,000 Kgs/Month vide GPCB consent no. GPCB/CCA/GNR-468/26535 dated December 3, 2009 having validity upto January 9, 2013.

The company has received the amended consolidated consent order vide amended consent no. GPCB/ID16613/CCA-GNR-468/130303 dated November 9, 2012 for producing the cuprous chloride from 1,00,000 Kgs/month to 5,00,000 kgs/month and additional consent for production of Ferric chloride (5,00,000 KGS/month), Zinc Sulphate (10,00,000 KGS/month) and Manganese Sulphate (5,00,000 KGS/month).

In the year 2014-15, our Company has discontinued the operations of Unit I and sold the Land and Building of Unit I situated at Plot No. 3536/8, Near. GIDC, Chhatral, Dist- Gandhinagar and shifted all the plant and machinery to Unit II. In addition, our Company also undertake the job work activity which contributes meager amount to our total revenue. At present, we manufacture following three major products viz. Cuprous Chloride, Copper Sulphate and Cupric Chloride having installed capacity of 60,00,000 Kgs/p.a., 54,00,000 Kgs./p.a and 3,50,000 Kgs./P.a respectively which is used in dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries etc.

Our Company was nominated among the 5 (five) best Entrepreneurs of Gujarat for Emerging India Awards, 2011 in the category of fastest growing SME. Our Company has shown robust growth during the last five Financial Years. The break-up of manufacturing, trading and job work income and the improvement in top line and bottom line is explained below:

Particulars	Amount in ₹ Lakhs			
	December 31, 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Revenue from Operation				
Manufacturing	8,896.99	15,089.12	18,608.65	13,277.33
Trading	949.73	1,376.44	1,198.18	1,579.08
Job Work Income	0.00	0.50	-	-
Total	9,846.72	16,466.06	19,806.82	14,856.41
Other Income	40.42	35.97	36.98	56.67
Total Revenue	9,887.14	16,502.04	19,843.80	14,913.07
Profit Before Tax	182.30	102.21	46.54	55.21

Revenue Break- up

Our revenue break-up for the three months ending December 31, 2023, and financial years ending March 31, 2023, 2022 and 2021 is as follows:

Particulars	Amount in ₹ Lakhs			
	December 31, 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Cuprous Chloride	4,861.85	12,570.55	14,533.80	7,982.50
Copper Sulphate	2,378.79	2,118.21	3,637.62	5,111.38
Cupric Chloride	58.87	400.36	437.22	183.45
CPC Blue	1,597.48	1,376.44	1,194.53	1,550.14
Other Sales	949.73	0.50	3.65	28.94
Total	9846.72	16,466.06	19,806.82	14,856.41

Our Competitive Strength

Vast experience over 16 years with sound market knowledge

Since January 2006, our individual promoters and directors have been involved in the field of manufacturing and trading of various chemicals for dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries etc. We benefit from the experience of the individual Promoters-Directors and core management team which has enabled us to successfully implement our growth strategies.

Prime Location of our Factory (Manufacturing Unit)

The factory is located near Gujarat Industrial Development Corporation (GIDC)- Phase IV, Chhatral, Dist. Gandhinagar. The GIDC has established industrial estate at Chhatral providing developed plots and ready sheds for setting up industries through out the state. In this estate all the infrastructure facilities such as power supply, roads, water supply etc are developed and provided by GIDC. All the benefits of infrastructure facilities developed by GIDC are reaped by our company.

GIDC Chhatral, enjoys the good connectivity through National Highway roads and railway, which makes the movements of the raw-material as well as finished goods easy and comfortable. Thus it helps in smooth procurement of raw material and dispatch of finished goods to our various customers located in the state of Gujarat, Maharashtra and Haryana.

Quality Assurance

Our Company is ISO 9001:2015 certified by Innovative Systemcert Pvt. Limited for our quality management system for manufacturing and supply of Inorganic Metal Based Chemicals. Further, quality check is done at every stage of manufacturing to ensure the adherence to desired specifications. Since, our Company is dedicated towards

quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market.

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Promoters have been involved in the chemical business since January 2006; • Company purchases raw material and sell finished goods directly to the customers; • ISO 9001:2008 certified for manufacturing and supply of Inorganic Metal Fine Chemicals; • The Factory is located near GIDC- Phase IV, Chattral and thus enjoys excellent connectivity and reapes the facility of GIDC Infrastructure; 	<p>Weakness</p> <ul style="list-style-type: none"> • Deals in explosive chemicals so utmost care is required to be taken to avoid accidents; • Strict Environmental policies and controls may pose real hurdle to the development of chemical project.; • The public image of the Chemical Industry is evaluated by chemical producers as a big barrier, because people are still afraid of hazardous chemicals in their neighborhood.
<p>Opportunity</p> <p>Despite the current critical financial and economic hurdles, the expected positive long term economic development and the increasing freight transport volumes all constitute an opportunity for the growth and the further development of most of the chemical enterprises. This can be an important contribution to the stabilization of markets and the improvement of customer satisfaction.</p>	<p>Threat</p> <ul style="list-style-type: none"> • The present economic position serves as a threat to many chemical and logistic companies both worldwide and on the regional level. • In general labourers avoid working in chemical plants. Hence company may have to face labour problem.

Our business strategy

1. Increase the Operational Capacity Utilization

At present we operate at approx 50% of our installed capacity. To meet the customers demand we need to increase our operational production capacity. Currently we are utilizing our working capital facility at the optimum level and in order to increase the operational production capacity we need to pump the additional working capital. The enhanced operational production capacity will aid our Company in establishing market leadership and increase more customers.

2. Maintain and expand long-term relationships with suppliers and customers

Our Company does all transactions directly with the suppliers and customers without keeping any distributors or brokers channel. Thus our company has live contact with each and every supplier and customers and also get feedback from them. Our Company believes that a long-term client relationship with customers fetches better results. This helps the company to improve the efficiency of our product and management on continues basis. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely on day to day basis.

3. Competitive Pricing

Majority of raw material are purchased on Cash on Delivery (COD) basis which enhance our negotiation power and increase the strength to procure raw material at utmost competitive rate. As a result we offer our products at most competitive rate to our customers and due to which we remain aggressive and capitalize a good market share. This helps us to sustain the competition and claim a position of strength in the marketplace.

4. Optimal Utilization of Resources

Our Company constantly endeavors to improve skill up gradation of workers and also undertake Health check-up programme, staff welfare activities etc which results into increase the efficiency of our human resources. We regularly analyze our existing material procurement policy and manufacturing process to identify the areas

of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

5. Focus on consistently meeting quality standards

Our company is ISO 9001:2015 certified for manufacturing and supply of Inorganic Metal Based Chemicals. Our Company intends to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value.

Location

Registered Office

301, 3rd Floor, Shalin Complex, sector -11, Gandhinagar - 382 011, Gujarat.

Factory/Manufacturing Unit

Plot No. 1133, Nr. GIDC, Chhatral, Dist Gandhinagar - 382729, Gujarat

Products

Cuprous Chloride, Cupric Chloride, Copper Sulphate, Copper Phthalo Cynine Blue Crude etc.

Plant & Machinery, technology, Process etc.

Our manufacturing unit is equipped with all required machinery to achieve targeted production of various chemicals. Our majority of machineries are fabricated at our factory site for which we required MS steel, SS Pulveriser, MS Plate, Vessel, MS tanks, HD Plastic Tanks, Plates and Angles, Sp. Fire Clay, Brick Cements, Special Greet, Motor Pump, wood, bearings, rubber lining, Crenk Shaft, FRV/FRP mixtures, Solid Fire Boiler, cables and wires and other building and hardware materials.

Technology

Our manufacturing process comprises of combination of manual and machine driven method. Even mixing of raw material is technically controlled which helps us to achieve hassle free production of quality goods with utmost economy.

Our Company has fully developed Laboratory with latest and modern technology equipment and managed by Laboratory chemist. Our Director Mr. Vijaysinh Dineshsinh Chavda is Diploma in Chemical Engineering who takes care of the production and the Laboratory to maintain high standards of quality in manufacturing process and finished goods.

Infrastructure facilities for Raw Materials and Utilities like Water, electricity etc.

Raw Material

The majority of raw material required in our manufacturing process of chemicals are Copper, Nickel, and Sulphuric Acid. The raw materials are easily available as the plant of the company is in fully developed industrial zone of Gujarat.

The major raw material Copper, Nickel, and Sulphuric Acid are procured from manufacturers and whole sellers. The raw material are in form of solid and liquid which are transported to our plant in fleets of trucks and tankers.

The company is procuring the raw material from number of suppliers and dealing with the suppliers since long. The company gets the delivery of raw material within time.

Quality Measures

Our company is ISO 9001:2015 certified for manufacturing and supply of Inorganic Metal Based Chemicals. We have latest and modern technology equipped with Laboratory chemist which helps to maintain the quality of the product manufactured by us and intensive care is taken to determine the standard of each and every batch of material dispatched from our manufacturing unit.

Power

We have been sanctioned load of 84 KW from Uttar Gujarat Vij Company Limited. In addition our Company has its own Diesel Generating Set of the same capacity as standby arrangement.

Water

Our Company has GIDC chatral water supply connection for which we pay some fixed charges to GIDC on monthly basis. In addition, we have our own Tube well with 10HP water Pump to meet with our water supply requirements.

Pollution

We have received the consolidated consent and authorization letter bearing no. GPCB/ID16613/CCA-GNR-468(3)/ID-161613/741529 dated May 08, 2023 from Gujarat Pollution Control Board for the discharge of trade effluent and emission due to operation of industrial plant for manufacturing various chemicals upto 8700 MT per month.

Human Resource

Human resource is an asset to any industry, sourcing and managing. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the chemical Industry. Our Company constantly endeavors to improve skill up gradation of workers and also undertake health check-up programme, staff welfare activities etc on regular intervals which results in increase in efficiency of employees. We view this process as a necessary tool to maximize the over all performance of our manufacturing unit. Due to live touch with the staff and their families company does not have any staff or any labour problem.

As of the date of this Letter of Offer we have the total strength of 56 employees (including workmen and contractual labours) in various departments. The details of which is given below:

Sr. No.	Particulars	Employees
1	Management and Finance	9
2	Administrative and Marketing	4
3	Production/Manufacturing and Maintenance	6
4	Quality Control Staff	3
5	Skilled, Semi-Skilled Labour Contractual Labour	34
	Total	56

We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we have cordial relationship with our employees.

Our Products

- Cuprous Chloride
- Copper Sulphate
- Cupric Chloride

Manufacturing Process

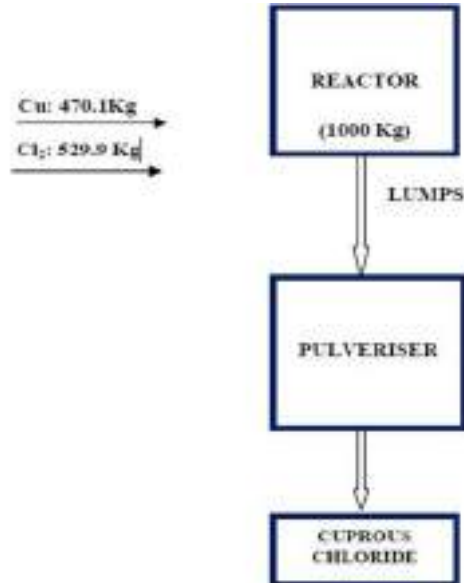
1. CUPROUS CHLORIDE



(Cuprous Chloride)

- Add hot copper wire in closed vertical vessel
- Maintain heat up to 800 deg C°
- Pass dry chlorine gas in the closed vessel
- Automatically heat involve due to exothermic Reaction.
- Dilute copper during the Reaction
- Dilute the copper, Product to be received in collector
- Cool it up to room temp
- Crush the lumps of cuprous chloride.
- Cuprous Chloride powder to be pack in air tight bag.

Process Flow Diagram With Mass Balance

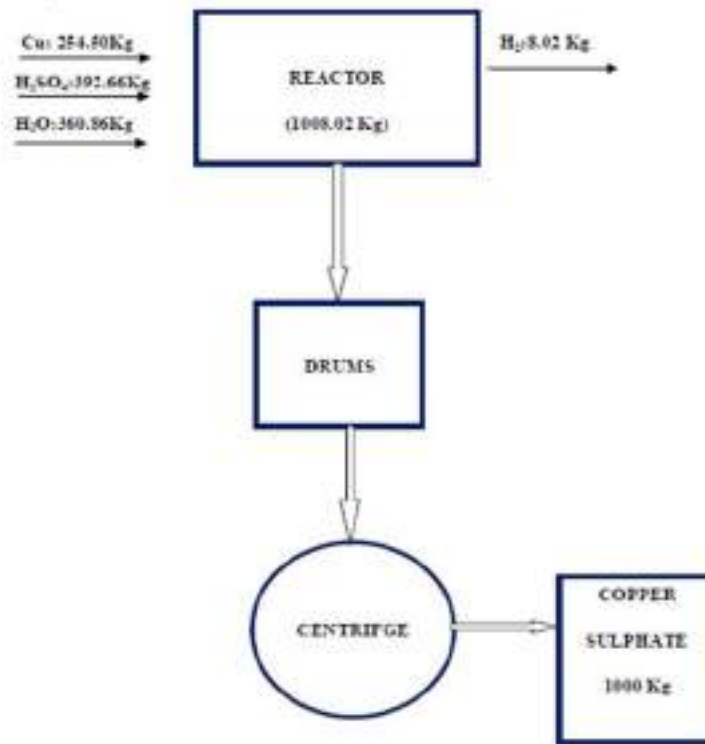


2. COPPER SULPHATE



- Prepare 60% dilute solution of sulphuric acid.
- Add pure copper ingots.
- Maintain heat up to 95 deg C°
- Automatically heat involve due to exothermic Reaction.
- Dilute copper during the Reaction
- After dilute the copper, liquor to be received in HDPE drums.
- Cool it up to room temp
- Remove the mother liquor from drums for recycle.
- Copper sulphate crystal to be centrifuge.

Process Flow Diagram With Mass Balance

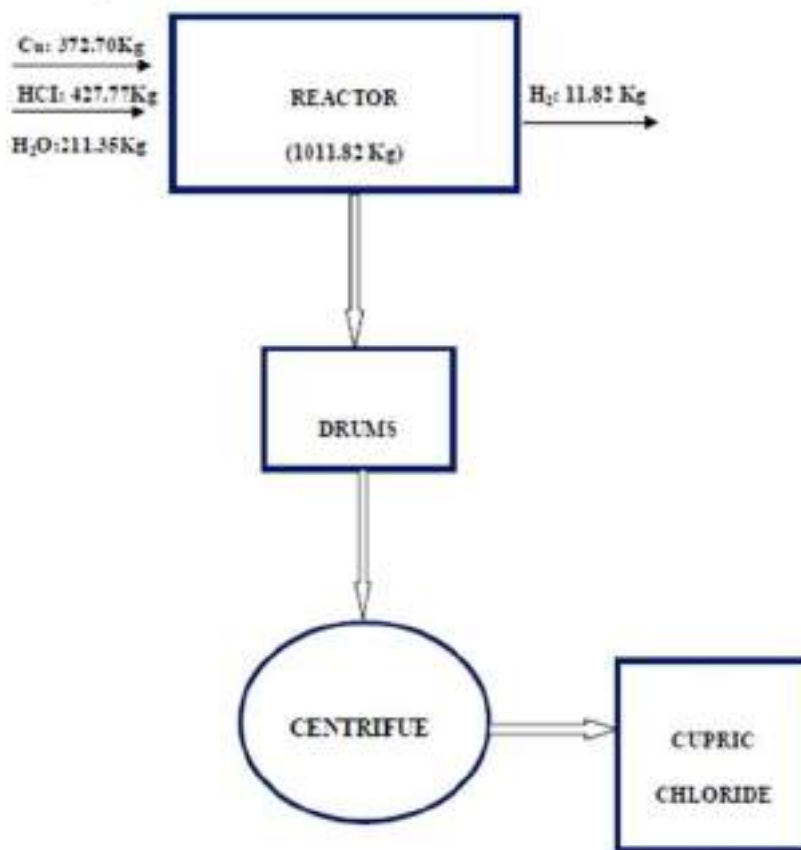


3. CUPRIC CHLORIDE



- Prepare 25 % dilute solution of HCl
- Add hot copper wire
- Start chlorine bubbling.
- Maintain heat up to 75 deg C°
- Automatically heat involve due to exothermic Reaction.
- Dilute copper during the Reaction
- Dilute the copper, Product to be received in collector
- Cool it up to room temp
- Remove the mother liquor from drums for recycle.
- Cupric sulphate crystal to be centrifuge.

Process Flow Diagram With Mass Balance



Inventory and End Users

Based on experience of our individual promoters and market conditions, we maintain optimum inventory at our factory premises. Our products are mainly sold to manufacturing companies using our products as raw material in their manufacturing process and also to whole seller and distributors who in turn sell our product to chemical and chemical intermediate manufacturing companies.

Marketing and Distribution Arrangement

Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. We have direct contact with our customers.

Our Company does all transactions directly with the suppliers and customers without keeping any distributors or brokers channel. Thus our company has live contact with each and every supplier and customers and also get feed back from them. Our Company believes that a long-term client relationship with customers fetches better dividends. This helps the company to improve the efficiency of our product and management on continues basis. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely on day to day basis.

COMPETITION

The chemical industry constitutes numerous chemical exporters, manufacturers and supplier dealing in fine chemicals, organic chemicals and in organic chemicals. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big regional, National and International players. In adverse and competitive market scenario also we are able to maintain our growth steadily due to our planned structure of purchase policy of raw material and strategically market policy. Our experience in this business has enabled us to provide quality products in response to customer's demand for best quality.

Capacity and Capacity Utilization

Particulars	Units	Financial Years		
		FY 2022-23	FY 2021-22	FY 2020-21
Installed Capacity	MT per day	33.42	33.42	33.42
Capacity Utilisation	MT per day	12.98	14.72	16.23
Capacity Utilisation	%	38.84	44.05	48.56

Indebtedness

Our Company is availing following Term Loan and Working Capital facilities from the following bank, details of which are as under:-

Name of Lender	Sanction Amount (in ₹ Lakhs)	Purpose	Amount (in ₹ Lakhs) O/s as on December 31,2023	Interest Rate Per Annum	Repayment Schedule	Security (Combined Security)	Period
Axis Bank Limited	3,225.00	Working Capital	3,036.39	Repo Rate + 2.40%	N. A.	(1) Company Office: 106 to 109, Atriya Complex, Gandhinagar. (2) Factory : Block No: 1133, GIDC Chhatral Phase IV, Ta-Kalol, Dist- Gandhinagar.	Next Renewal Date 8 th February 2025

Details of Immovable Property:

Owned Land:

Particulars	Details
Description of Property	Non Agriculture Land at Block No.1133 of Village Chhatral, Taluka Kalol, Dist. Gandhinagar.
Usage	Factory
Area (Approx)	11,028 sq. meters

Leased Properties

Particulars	Details
Name of the Lessor	Dineshsinh Bhimsinh Chavada
Description of Property	Office No. 103-105, Atriya Complex, Sargasan, Ta & Dist. Gandhinagar-382421
Usage	Taken on rental basis for a period commencing from August 1, 2023 to March 31, 2027 at a monthly rental of Rs. 50,000/-.
Area (Approx)	208.18 Sqmt.

Particulars	Details
Name of the Lessor	Registered in the name of Mrs. Hansaben D. Chavada
Description of Property	Office at 301, 3rd Floor, Shalin Complex, Sector -11, Gandhinagar – 382 011
Date of agreement	December 29, 2016
Rent	Rs. 20,000 per month

Usage	Used as Registered office by Sanginita Chemicals Limited
Period	January 1, 2017 to March 31, 2027


Insurance

Name of the Insurance Company	Policy No.	Type of policy	Validity Period	Property Description	Description of cover under the policy	Sum Assured (₹ in Lakh)	Premium Paid (₹ in Lakh)*
The New India Assurance Co. Ltd.	2308021124960000006	New India Bharat Laghu Udyam Suraksha Policy	From 19/04/2024 to 18/04/2025	Factory- Block No. 1133, Chhatral GIDV Phase IV, Chhatral.	Building, FFF, P & M/c, Stock	3,676.00	4.29
United India Insurance Company Limited	0131001124P101204987	United Value Udyam Suraksha Policy	From 19/04/2024 to 18/04/2025	Office No: 106 to 109, Atriya Complex, Sargasan, Gandhinagar.	Building, FFF, Office	226.60	0.04

*excluding GST

Intellectual Property Rights

We have obtained one trademark for our logo, the details of which is as under:

Logo	Registered Class	Trade Mark No.	Issue Date	Issuing Authority
	In class 1 of Trade Marks Act, 1999	3462893	22.01.2017	Registrar of Trademark, Mumbai

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OUR MANAGEMENT

Board of Directors

As per the Articles of Association our Company shall not appoint less than three (3) and more than fifteen (15) Directors. Currently, our Company has six (6) Directors. Out of six (6) directors, three (3) are Non-Independent Director; and three (3) are Independent Directors.

The following table sets forth details regarding the Board of Directors as on the date of this Letter of Offer:

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
<p>Mr. Dineshsinh Bhimsinh Chavada</p> <p>Designation: Chairman and Managing Director</p> <p>Address: Plot 512/2 Kolavda Nagar Society, Sector - 28, Gandhinagar – 382028, Gujarat, India</p> <p>Date of Birth: November 04, 1958</p> <p>Date of Appointment: January 10, 2007</p> <p>Term: Appointment as Managing Director for Three (3) years <i>w.e.f.</i> November 23, 2021</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 01497977</p> <p>Permanent Account Number: AAZPC8269L</p>	65 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Limited Liability Partnership</u></p> <ul style="list-style-type: none"> ▪ Sanginita Industries LLP
<p>Mr. Vijaysinh Dineshsinh Chavda</p> <p>Designation: Whole Time Director</p> <p>Address: Plot 512/2 Kolavda Nagar Society, Sector - 28, Gandhinagar – 382028, Gujarat, India</p> <p>Date of Birth: October 27, 1980</p> <p>Date of Appointment: December 15, 2005</p> <p>Term: Appointment as Whole Time Director for Three (3) years <i>w.e.f.</i> November 23, 2021</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 00479413</p> <p>Permanent Account Number: ADMPC8625L</p>	43 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Limited Liability Partnership</u></p> <ul style="list-style-type: none"> ▪ Sanginita Industries LLP

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
<p>Mrs. Hansaben Dineshsinh Chavada</p> <p>Designation: Non-Executive Director</p> <p>Address: Plot 512/2 Kolavda Nagar Society, Sector - 28, Gandhinagar – 382028, Gujarat, India</p> <p>Date of Birth: June 01, 1959</p> <p>Date of Appointment: December 15, 2005</p> <p>Term: Liable to retire by rotation.</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 00479509</p> <p>Permanent Account Number: ACHPC0899A</p>	64 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Limited Liability Partnership</u></p> <ul style="list-style-type: none"> ▪ Sanginita Industries LLP
<p>Mr. Faiyazkhan Yusufkhan Pathan</p> <p>Designation: Independent Director</p> <p>Address: Plot 1550/1, Sector 6, Mansa, Gandhinagar – 382006, Gujarat, India</p> <p>Date of Birth: June 06, 1958</p> <p>Date of Appointment: January 10, 2017</p> <p>Term: Five (5) years <i>w.e.f.</i> January 10, 2022</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 07702208</p> <p>Permanent Account Number: ACKPP8184A</p>	65 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil
<p>Mr. Jagdishkumar Vajaji Thakor</p> <p>Designation: Independent Director</p> <p>Address: 1-2-15, Hirabhai Ni Chali, Nr. Kadiya vaschandan Dehgam, Gandhinagar – 382305, Gujarat, India</p> <p>Date of Birth: August 31, 1982</p>	41 years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p>

Name, Designation, Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age (in years)	Other Directorships as on the date of this Letter of Offer
<p>Date of Appointment: January 10, 2017</p> <p>Term: Five (5) years <i>w.e.f.</i> January 10, 2022</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 07702521</p> <p>Permanent Account Number: AHMPT2591A</p>		<ul style="list-style-type: none"> ▪ Nil
<p>Mr. Pramodsinh Dabhi</p> <p>Designation: Independent Director</p> <p>Address: 1488-Chh, Swaminarayan Society, Unava, Gandhinagar - 382650</p> <p>Date of Birth: March 28, 1983</p> <p>Date of Appointment: May 11, 2019</p> <p>Term: First Term - Five (5) years <i>w.e.f.</i> May 11, 2019 Second Term - Reappointment for five (5) Years <i>W.e.f.</i> May 11, 2024</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 08441361</p> <p>Permanent Account Number: ATIPD0817H</p>	41 Years	<p><u>Public Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Private Limited Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil <p><u>Foreign Entities:</u></p> <ul style="list-style-type: none"> ▪ Nil

Relationship between our directors

Except as stated below, none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

S. No.	Name of the Director	Relationship
1.	Mr. Dineshsinh Bhimsinh Chavada	Husband of Mrs. Hansaben Dineshsinh Chavada; Father of Mr. Vijaysinh Dineshsinh Chavda
2.	Mr. Vijaysinh Dineshsinh Chavda	Son of Mr. Dineshsinh Bhimsinh Chavada and Mrs. Hansaben Dineshsinh Chavada
3.	Mrs. Hansaben Dineshsinh Chavada	Wife of Mr. Dineshsinh Bhimsinh Chavada; Mother of Mr. Vijaysinh Dineshsinh Chavda

Brief profile of the directors of our company

Mr. Dineshsinh Bhimsinh Chavada - Chariman and Managing Director

Mr. Dineshsinh Bhimsinh Chavada, aged 65 years, is one of the Promoter as well as Chairman and Managing Director of our Company. He is Science Graduate and also secured 1st rank in the Forest Officer Examination conducted by Gujarat Public Service Commission (GPSC). During his Career with the Forest Department, he worked as Forest Officer and Deputy Director Forest Department. Also worked as Environmental Officer in Narmada Project of the Gujarat State. He opted for voluntary retirement from the government services and joined full time his son's chemical business in the year 2006. He is also associated with many social organisations and Non-Government Organisations and Secretary of Gujarat State Industries Federation and editor of monthly bulletin published by the said organisation. Under his able chairmanship our company was nominated among FIVE fastest growing companies of India during the year 2010-11 in the survey made by ICICI Bank, CRISIL and CNBC 18 Business Channel.

Mr. Vijaysinh Dineshsinh Chavda – Wole Time Director

Mr. Vijaysinh Dineshsinh Chavda aged 43 years is a one of the promoter of our Company. He has passed the Diploma in Chemical Engineering examination from Nirma Technology Institution, Gujarat. He has been into Chemical business since last Twenty years. He looks after the purchase, production and marketing and also provides expert technical guidance to the Company. He looks after the R & D activities of the company and examines the viability of new products too. He was nominated among Best Five Entrepreneurs of Gujarat State during Vibrant Gujarat 2017.

Mrs. Hansaben Dineshsinh Chavada – Non-Executive Director

Mrs. Hansaben Chavada aged 64 Years is a Non - Executive Director of our Company. She is undergraduate and having experience of more than 17 years in the chemical industry. She is mainly looking after welfare activities of the Company.

Mr. Faiyazkhan Yusufkhan Pathan – Non-Independent Director

Mr. Faiyazkhan Yusufkhan Pathan aged 65 Years is an Independent Director of our company. He is retired Office Superintendent (Class II) from the office of the Principal Chief Conservator of Forests, Aranya Bhavan, Guajarat. He has more than 44 years of experience to work with Government Offices at different level. He has very rich experience in the area of Account, Finance, supervision, and communications with the staff of Organisation.

Mr. Jagdishkumar Vajaji Thakor – Non-Independent Director

Mr. Jagdishkumar Vajaji Thakor aged about 41 years is an Independent Director of Our Company. He is Commerce Graduate. He is having more than 15 years' experience in the field of Accountancy and Legal Industrial Issues. Currently he is working as a consultant for Accountancy and Legal Taxation Activities in Industrial Sector.

Mr. Pramodsinh Dabhi – Non-Independent Director

Mr. Pramodsinh Dabhi aged about 41 years is an Independent Director of Our Company. He is B.com Graduate and worked as Accounts officer in various companies and having deep knowledge of Accounting, Banking, VAT, GST and management work.

Confirmations:

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

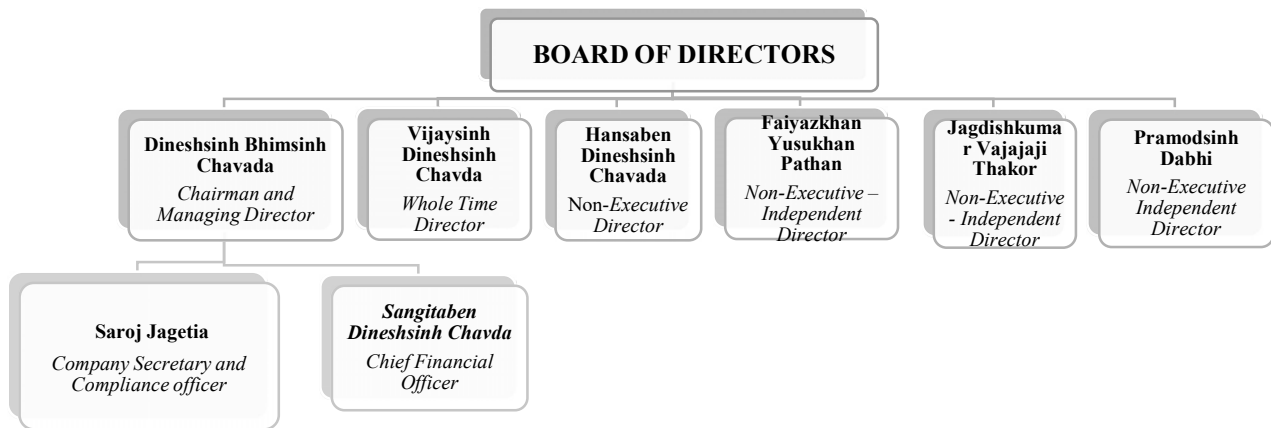
None of our Directors is or was a director of any listed Company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last five years immediately preceding the date of filing of this Letter of Offer

Other Confirmation

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorship.

We confirm that as on the date of this letter of offer, there are no arrangements or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors as a member of the senior management.

Management Organizational Structure



Our Key Managerial Personnel

In addition to our Managing Director and Whole Time Director whose details have been provided under paragraph above titled ‘Brief Profile of our Directors’, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Name	Designation
Sangitaben Dineshsinh Chavda	Chief Financial Officer
Saroj Ghanshyam Jagetia	Company Secretary & Compliance Officer

In addition to the persons named above, the following are the Senior Management Personnel of our Company:

Name	Designation
Sanjaykumar Kantilal Patel	General Manager
Baldevbhai Babanbhai Chauhan	Marketing Manager
Hitendrakumar Govindbhai Prajapati	Production Manager

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SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Audited Standalone Financial Results for the Nine (9) months ended December 31, 2023	F1 – F47

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since December 31, 2023 till date of this Letter of Offer.

We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018.

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SANGINITA CHEMICALS LIMITED
(CIN: L24100GJ2005PLC047292)

AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED ON 31ST DECEMBER, 2023

(I.E. FROM 1ST APRIL, 2023 TO 31ST DECEMBER, 2023)

INDEPENDENT AUDITOR'S REPORT

To,

The Board of Directors

Report on the audit of the Standalone Ind AS financial statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Sanginita Chemicals Ltd. ("the Company"), which comprise the Balance Sheet as at December 31, 2023, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the Nine month ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "(Standalone Ind AS Financial Statements)").

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 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 state of affairs of the Company as at December 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the Nine month ended on that date.

Basis for opinion

We conducted our audit of the standalone Ind AS Financial Statements in accordance with the standards on auditing (SAs) as specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'code of ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under,



and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS 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 Matters	Principal Audit Procedures/ Auditor's Response
1	Appropriateness of Current / Non-current classification	For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents. The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management's best estimate of the period in which the assets would be realized or the liabilities would be settled. We have evaluated the reasonability of the management's estimates.
2	Inventories	The company is engaged in the business of manufacturing of Chemicals. Inventories includes Copper material in Copper Sulphate Mother Liquor of Rs. 1143.01 laes (In Liquid Form) and Copper material in Cupric Chloride Mother Liquor of Rs. 635.89 laes (In Liquid Form) . The copper material in these items



		inventories is technical matter. The Company have technical Director who himself a Chemical Engineer who is involved in the valuation part of inventory. The procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of the Company and nature of his Business. We have taken the valuation of these material in inventory valuation, as certified by the management.
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Information other than the standalone Ind AS financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind AS) specified under section 133 of the Act read with the companies (Indian Accounting standards Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and



design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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.

The Board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 Ind AS 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Ind AS 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 Ind AS 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 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on December 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023 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 with reference to these standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the period is in accordance with the provisions of section 197 of 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) As explained, the Company does not have any pending litigations which would impact its financial position;
 - ii) As explained, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii) As explained to us, no such amount is required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and the rules made there under.
 - iv) (a) The management has represented that , to the best of its knowledge and belief no funds (which are material either individually or in the 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



person or entity, including foreign entity ("Intermediates"), 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) The management has represented, that, to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(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 representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared any dividend during the period up to December-2023;

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software except that the audit trail feature of Tally prime software used by the company operates from dated 16.08.2023. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 of the Order.

Place: Ahmedabad

Date: 11/01/2024



Devpura Navlakha & co.

Chartered Accountants

FRN-121975W

Rahul R. Modi

Rahul R. Modi (Partner)

(Membership No. 184321)

UDIN-24184321BKABXY8749

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Sanginita Chemicals Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sanginita Chemicals Ltd.** ("the Company") as of December 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period 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 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 of the 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 timely preparation of reliable financial information, as required under the companies act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to these Standalone Ind AS Financial statements 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 judgment, including the assessment of the risks of material misstatement in 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 control system over financial reporting with reference to these Standalone Ind AS Financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December, 31 2023, 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.

Place: Ahmedabad

Date: 11/01/2024



Devpura Navlakha & co.

Chartered Accountants

FRN-121975W

Rahul R. Modi

Rahul R. Modi (Partner)

(Membership No. 184321)

UDIN-24184321BKABXY8749

"ANNEXURE B" TO INDEPENDENT AUDITORS' REPORT

This is an annexure on the accounts of **Sanginita Chemicals Ltd.** as referred above in paragraph 2 under the heading 'Report on other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statement for the Nine month ended 31st December,2023:

I. In respect of Property, Plant and Equipment:

- (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company is not having any intangible assets as on 31/12/2023, therefore paragraph 3(i) (a) (B) of the order is not applicable.
- (b) As explained to us, the company has a regular program of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this program certain Property, Plant and Equipment were verified during the period and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) On the basis of information and explanation given to us and records examined, the title deeds of immovable properties are held in name of the company.
- (d) On the basis of information and explanation given to us and records examined, the company has not revalued its Property, Plant and Equipment during the period up to December-2023.
- (e) On the basis of information and explanation given to us, there is no any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

II. In respect of Inventories :

- (a) The management has conducted physical verification of inventory at reasonable intervals. In our opinion, the procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of the Company and nature of his business. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on verification between physical inventories and the book records.



- (b) The company has sanctioned working capital limits in excess of Five Crore Rupees from bank on the basis of security of current assets and the quarterly returns or statements filed by the company with such bank is in agreement with the books of account of the company except following:

(Rs. in Laes)

Particulars	As per stock statement for the month of December-2023 (A)	As per books of accounts for the month of December-2023 (B)	Variation (A-B)	Reason for variation
Debtors	2555.27	2951.31	(396.04)	Due to interchange in classification.
Advance to Suppliers	2236.12	1840.08	396.04	Due to interchange in classification.

- III. The Company has not made any investment or provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act., therefore, paragraph 3 (iii) (a) to (f) of the Order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the Company has not advanced loans, given guarantees and provided securities to its directors and/or persons or firm or companies in which directors are interested. Accordingly, therefore paragraph 3 (iv) of the order is not applicable.
- V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public and therefore paragraph 3 (v) of the order is not applicable.
- VI. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance



of cost records u/s. 148 (1) of the Companies Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- VII. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess, Goods & Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at December 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) There is no any statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute as at December 31, 2023.
- VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period up to December-2023 in the tax assessment under the Income Tax Act, 1961 (43 of 1961) therefore clause 3 (viii) of the order is not applicable.
- IX. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to lender therefore paragraph 3 (ix) (a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our audit procedures we report that the company has not been declared willful defaulter by any bank or financial institution or any other lender, therefore paragraph 3 (ix) (b) of the order is not applicable.
- (c) The company has not taken any term during the period up to December-2023 therefore paragraph 3 (ix) (c) of the order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised or short-term basis have been used 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, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- (f) According to the information and explanations given to us and procedures performed by us, we report that during the period up to December-2023, the company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- X. (a) Based upon the audit procedures performed and the information and explanations given by the management, during the period up to December-2023, the company has not raised moneys by way of initial public offer or further public offer including debt instruments.
- (b) During the period up to December-2023, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period up to December-2023 and accordingly paragraph 3 (x) (b) of the order is not applicable.
- XI. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company has been noticed or reported during the period.
- (b) There is no any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the period up to December-2023”.
- XII. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Therefore, the paragraph 3 (xii) of the order is not applicable.
- XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in notes to Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- XIV. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.



(b) We have considered, the internal audit report for the period up to December-2023 under audit, issued to the company during the period up to December-2023, in determining the nature, timing and extent of our audit procedures.

- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him, therefore paragraph 3 (xv) of the order is not applicable.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the order is not applicable.
- XVII. The company has not incurred cash losses in the period up to December-2023 and in the immediately preceding financial year.
- XVIII. During the period up to December-2023, there has been no resignation of the statutory auditors, therefore, clause 3 (xviii) of the order is not applicable.
- XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. The provision of section 135 of the companies Act, 2013 is not applicable to the company, therefore Paragraph 3 (xx) of the order is not applicable.



XXI. This report deals with standalone financial statement, therefore paragraph 3 (xxi) of the order is not applicable.

Place: Ahmedabad

Date: 11/01/2024



Devpura Navlakha & co.

Chartered Accountants

FRN-121975W

Rahul R. Modi

Rahul R. Modi (Partner)

(Membership No. 184321)

UDIN-24184321BKABXY8749

SANGINITA CHEMICALS LIMITED

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTH ENDED 31ST DECEMBER, 2023

1. Corporate Information:

Sanginita Chemicals Limited (The company) is a public limited company which was initially registered as a private limited company with Registrar of Companies Gujarat with CIN number L24100GJ2005PLC047292 Since 15.12.2005 and engaged in the business of manufacturing of Chemicals having registered office at 301, 3rd Floor, Shalin Complex, Sector-11, Gandhinagar, Gujarat, India Pin 382 011 and factory address at Block No. 1133, Nr GIDC- Chhatral Phase IV, At : Chhatral, Ta- Kalol, Dist, Gandhinagar, Gujarat, India.

From 23rd day of December 2016, the company Sanginita Chemicals Pvt. Ltd. is converted in to a Public Limited company limited by shares under section 18 of the company's act 2013 and so the name of the company is changed to **SANGINITA CHEMICALS LIMITED** from the same date.

2. Significant Accounting Policies

2.1 Basis of Preparation :

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. The Accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis.

2.3 Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest Lakhs & decimal thereof.



2.4. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods.

2.5. Current versus Non-Current Classification:

The company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

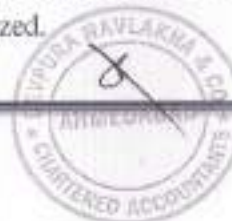
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve month as its operating cycle.

2.6. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.



The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.7. Foreign Currencies:

The company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the company's functional currency at the exchange rates prevailing on the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements. Exchange differences arising on settlement of such transactions and on translation of monetary items are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

2.8. Impairment of assets

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

2.9. Property, Plant and Equipment (PPE):

PPE are stated at cost, net of GST and depreciation. No specific borrowing is incurred to increase the fixed assets so no interest on borrowing is capitalized in fixed assets during the current period up to December-2023. Building includes road, staff quarters, security room, gate, compound wall etc.

Company maintains a separate and special in-house research laboratory for the development, expansion and invention of new and innovative techniques for easy and speedy process of output, for maintenance of quality of products and also to search out new products for the betterment and expansion of business.



De-recognition

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

Depreciation:

- Depreciation, on fixed assets, has been provided in the accounts as per schedule II of the Companies Act, 2013.
- Depreciation on fixed assets is provided on Written Down Value method.
- Depreciation has been charged pro-rata from the date of additions on Written down Value Method as per Schedule II of the Companies Act, 2013.
- One of the directors of the company himself handles the technical, manufacturing department and as per the written representation received from the director, useful life of laboratory equipment is taken as 20 years.
- Residual value of all the assets is taken at 4%.
- As per schedule II the life of the office equipments is 5 years however there are some equipments which are already used for more than 5 years and so the life is taken more than 5 years as the amount involved is very low.
- Additions made in the plant and machinery during the period up to December-2023 are grouped on monthly basis for computation of prorata depreciation.

2.10. Investment Property

Property which is held for long-term rental yields or for capital appreciation or both, is classified as Investment Property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates investment properties over their estimated useful lives, as specified in Schedule II to the Companies Act, 2013.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of Profit and Loss in the period in which the property is derecognized.



2.11. Financial assets

Initial recognition and measurement:

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Subsequent measurement:

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Financial assets that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest.

All other financial asset is subsequently measured at fair value.

Financial assets at cost:

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

De recognition of financial assets:

The Company derecognizes a financial asset when the 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 de recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

2.12. Financial liabilities and equity instruments

Classification as debt or equity



Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are recognized at the transaction cost, which is its fair value, and subsequently measured at amortized cost.

De recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.13. Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The company has not entered into any such transaction.

2.14. Inventories:

Inventories are valued at the lower of cost or net realizable value after providing for obsolescence and other losses, wherever considered necessary.

Cost comprises of following:

- 1) Raw Material cost includes cost of purchase;
- 2) Finished Goods cost is raw material and cost of conversion;
- 3) Stores & Spares cost is includes cost of purchase

Cost is determined on First-in-First-out (FIFO) basis or specific identification basis as applicable.



2.15. Cash and Cash Equivalent

Cash and cash equivalent in the balance sheet comprise cash on hand.

2.16. Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

There is no contingent liability in the balance sheet of the company.

2.17. Revenue Recognition

Revenue from operations is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

a) Sales are shown at net of sales returns, GST but discount and incentives are separately booked as expenditure.

b) Export Sales are booked at the rate on the date of transaction and the resultant gain or loss on realization on transaction is accounted as Exchange rate difference and is dealt with Statement of Profit and Loss.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.18. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

No borrowings are created for acquiring Property, Plant & Equipment during the period up to December-2023.



2.19. Employee Benefits:

- Short-term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
- Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services.
- As explained by the management that there is no employee in the company who is entitle for gratuity benefit so no provision of gratuity is made.

2.20. Taxes:

Tax expense comprises of current income tax and deferred tax.

Current income tax:

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

Deferred Tax:

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax liability/assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

2.21. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.



3. Significant accounting judgments, estimates and assumptions

The application of the company's accounting policies as described in Note 2, in the preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key Sources of estimation uncertainty:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

3.1. Useful lives of property, plant and equipment

Useful lives of property, Plant & Equipments are taken as per useful lives given in Part-C of Schedule II to the Companies Act, 2013.

3.2. Investments

In case of investments, the Management assesses whether there is any indication of impairment in the value of investments.

4. Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.



Sanginita Chemicals Limited
Balance sheet as at 31/12/2023

(Rupees in Lacs)

Particulars	Note No.	As at December 31, 2023	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	5	541.38	401.59
(b) Capital work-in-progress		-	-
(c) Investment Properties	6	42.74	44.40
(d) Intangible Assets		-	-
(e) Financial Assets		-	-
(i) Investments		-	-
(ii) Loans		-	-
(iii) Other		-	-
(f) Other Non Current Assets	7	62.52	473.77
(2) Current assets			
(a) Inventories	8	2996.17	2691.85
(b) Financial Assets		-	-
(i) Trade receivables	9	2931.31	2548.68
(ii) Cash and cash equivalents	10	2.27	2.72
(c) Other current assets	11	1905.21	1786.81
Assets held-for-sale / Assets included in disposal group(s) held-for-sale		0.00	0.00
TOTAL ASSETS		8499.70	7949.90
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	1726.77	1726.77
(b) Other Equity	13	5423.11	2286.91
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities		-	-
(i) Borrowings	14	305.30	206.50
(b) Deferred tax liabilities (Net)	15	7.38	4.65
(2) Current liabilities			
(a) Financial Liabilities		-	-
(i) Borrowings	16	3036.38	2651.54
(ii) Trade payables	17	-	-
(A) Total outstanding dues of creditors micro enterprises and small enterprises		113.92	196.31
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		776.10	775.28
(iii) Other financial liabilities		0.00	0.00
(b) Other current liabilities	18	67.90	89.08
(c) Provisions	19	43.63	12.70
Liabilities classified as held for sale / Liabilities included in disposal group held-for-sale		0.00	0.00
TOTAL EQUITY AND LIABILITIES		8499.70	7949.90

See accompanying notes 1 to 42 forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE

For Bhaswan Navlakha & Co.

Chartered Accountants

ERN No: 123972W

Rajul R. Navlakha
(CA Rajul R. Navlakha) (Partner)
Mem. No. 184321
UDIN: 24040218KABNY8749

Place: Ahmedabad

Date: 31/01/2024

For & On behalf of the Board of Directors

Sanginita Chemicals Limited

Dineshsinh Chavada
(Dineshsinh Chavada)
Chairman & Managing Director
(DIN: 01487077)

Sangita D Chavda
(Sangita D Chavda)
Chief Financial Officer

Saroj Ghanshyam Jagadia
(Saroj Ghanshyam Jagadia)
Company Secretary

Hansabhai Chavada

(Hansabhai Chavada)
Non-Executive Director
(DIN: 00479500)

Vijaysinh Chavda
(Vijaysinh Chavda)
Whole Time Director
(DIN: 00479413)



Sanginita Chemicals Limited
Statement of Profit and Loss for the Nine month ended on December 31, 2023

		(Rupees in Lacs)		
Sr. no.	Particulars	Note No.	Nine month ended December 31, 2023	Year ended March 31, 2023
	Income			
I	Revenue from operations	21	9,846.72	14,856.41
	Revenue from operations		9,846.72	14,856.41
II	Other Income	22	40.42	35.67
III	Total Income (I-II)		9,887.14	14,913.08
	Expenses			
IV	Cost of material consumed	23	6929.14	12,051.23
	Purchases of Stock-in-trade		2262.05	1,937.71
	Changes in inventories of finished goods & work-in-progress	24	(10.13)	140.44
	Employees benefits expense	25	84.34	103.37
	Finance cost	26	193.99	249.97
	Depreciation and amortisation expense	27	50.68	55.22
	Other expenses	28	195.39	319.87
	Total expense (IV)		9,704.84	14,857.87
V	Profit before exceptional items and tax (III-IV)		182.30	85.21
VI	Exceptional item		-	-
VII	Profit before tax (V-VI)		182.30	85.21
VIII	Tax expense			
	(1) Current tax	29	43.63	42.70
	(2) Short (Excess) provision of IT earlier year written back		0.54	(0.30)
	(3) Deferred tax	29	2.73	1.30
IX	Total Tax Expense		46.90	43.60
X	Profit for the year after tax from Continuing Operations (VII-IX)		135.40	41.61
XI	Other comprehensive income		-	-
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-
XII	Total other comprehensive income for the year, net of tax		-	-
XIII	Total comprehensive income for the year (X+XI+XII)		135.40	41.61
XIV	Earnings per equity share (nominal value Rs.10 per share) '10'			
	(1) Basic	30	0.78	0.24
	(2) Diluted	30	0.78	0.24
	Summary of significant accounting policies	2		

See accompanying notes 1 to 42 forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE

For Devpura Navlakha & Co.

Chartered Accountants

FRN NO. 121975W

Rahul R. Modi
(CA Rahul R. Modi) (Partner)

Mem. No: 18432

UDIN:241843218KABNY8749

Place : Ahmedabad

Date: 13/01/2024



For & On behalf of the Board of Directors

Sanginita Chemicals Limited

(Dineshchandra Chavda)
(Dineshchandra Chavda)

Chairman & Managing Director

(DIN : 01807677)

Sangita Chavda
(Sangita Chavda)

Chief Financial Officer

(Smt. Ghanshyam Jeetali)
(Smt. Ghanshyam Jeetali)

Company Secretary

(Harshada Chavda)
(Harshada Chavda)

Non-Executive Director

(DIN : 00476602)

(Vijayendra Chavda)
(Vijayendra Chavda)

Whole Time Director

(DIN : 00479453)



Sanginita Chemicals Limited
Statement of Cash Flow Statement for the nine month ended December 31, 2023

(Rupees in Lacs)

Sl. No.	Particulars	As At 31.12.2023		As At 31.03.2023	
1	Cash Flow From Operating Activities				
	Net Profit before taxation and extra ordinary items		182.30		55.21
	Adjustment for :				
	Depreciation & Amortisation cost	50.08		55.33	
	Finance Cost	193.99		249.97	
	Less: Non Operating Income	(2.04)		(15.75)	
	Operating Profit before working capital changes		242.03		289.54
	(Increase)/Decrease in Debtors	(402.83)	424.33	(38.47)	344.75
	(Increase) /Decrease in Inventories	(304.32)		(303.31)	
	(Increase)/Decrease in Other current Assets	(116.41)		799.44	
	Increase/(Decrease) in Trade Payables	(81.77)		556.92	
	Increase/(Decrease) in Other current Liabilities	(21.18)		21.78	
	Cash Generated from operations		(926.31)		1,036.36
	Less: Income tax paid		(13.24)		(11.05)
	Net Cash flow from operating activities (1)		(515.22)		1,370.06
2	Cash Flow From Investing Activities				
	Purchase of Fixed Assets	(188.13)		(88.65)	
	Rent Income	2.04		15.75	
	Net Cash From investing Activities (2)		(186.09)		(72.90)
	Cash Flow From Financing Activities				
	Proceeds/(Repayment) of Current- Financial Borrowings	384.80		(140.00)	
	Proceeds/(Repayment) of Non Current- Financial Borrowing	98.81		(444.41)	
	(Increase)/Decrease in Other Non Current Assets	411.25		(452.55)	
	Interest Paid	(193.66)		(249.97)	
	Net Cash Issued in financing activities (3)		700.96		(1,295.93)
	Net Increase in cash and cash equivalents (1+2+3)		(0.35)		1.23
	Cash & cash equivalents at the beginning of the period		2.72		1.49
	Cash & cash equivalents at the end of the period		2.37		2.72

Notes:

- The above cash flow Statement has been Prepared under the "Indirect Method" as set out in IND AS-7, "Statement of Cash Flow"
- Components of Cash & Cash Equivalents as under:

Particulars	Nine months ended December 31, 2023	Year ended March 31, 2023
Cash and cash equivalents comprise of (Note-10)		
Cash on Hand	2.37	2.72
Cash and cash equivalent retained	2.37	2.72

AS PER OUR REPORT OF EVEN DATE:

For Desjays Navlakha & Co.

Chartered Accountants

FRN :121975W

(CA Rahul R. Mehta) (Partner)

Mem. No. 184321

UDIN:24184321BKABXY8749

Place : Ahmedabad

Date: 11/01/2024



For & On behalf of the Board of Directors

Sanginita Chemicals Limited

(Dineshchandra Chavda)

Chairman & Managing Director

(DIN - 01497077)

(Banshi D Chavda)

Chief Financial Officer

(Sany Ghoshayam Jagotia)

Company Secretary

(Harshaben Chavda)

Non-Executive Director

(DIN - 00470009)

(Vijaysinh Chavda)

Whole Time Director

(DIN : 60479413)



Sanginita Chemicals Limited
Statement of changes in Equity for the Nine month ended December 31, 2023

A. Equity Share Capital
 (i) Current reporting period (Up to December-2023) (FY 2023-2024)

(Rs. in Lacs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1726.77	0.00	1726.77	0.00	1726.77

(ii) Previous reporting period (FY 2022-2023)

(Rs. in Lacs)				
Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period
1726.77	0.00	1726.77	0.00	1726.77

B. Other Equity (Note-13)

(i) Current reporting period (Up to December-2023) (FY 2023-24)

Particulars	Retained Earnings	Share Premium	Total
Balance at the beginning of the current reporting period	1655.34	631.57	2286.91
Changes in accounting policy or prior period errors	0.00	0.00	0.00
Restated balance at the beginning of the current reporting period	1655.34	631.57	2286.91
Total Comprehensive Income for the current	0.00	0.00	0.00
Dividends	0.00	0.00	0.00
Transfer to retained earnings	125.40	0.00	125.40
Any other change	0.00	0.00	0.00
Balance at the end of the current reporting period	1780.74	631.57	2422.31

(ii) Previous reporting period (FY 2022-23)

Particulars	Retained Earnings	Share Premium	Total
Balance at the beginning of the current reporting period	1413.73	631.57	2245.30
Changes in accounting policy or prior period errors	0.00	0.00	0.00
Restated balance at the beginning of the current reporting period	1413.73	631.57	2245.30
Total Comprehensive Income for the current	0.00	0.00	0.00
Dividends	0.00	0.00	0.00
Transfer to retained earnings	41.61	0.00	41.61
Any other change	0.00	0.00	0.00
Balance at the end of the current reporting period	1455.34	631.57	2286.91

AS PER OUR REPORT OF EVEN DATE,
 For Divyansu Navalka & Co.
 Chartered Accountants

FDN No. 1219259

 (CA Ravi K. Modi) (Partner)
 Mem No. 14021
 UDIN: 24044308CA0000746
 Place: Ahmedabad
 Date: 11/31/2024


For & On behalf of the Board of Directors
 Sanginita Chemicals Limited

 (Hitesh Chavda)
 Chairman & Managing Director
 DIN: 01403577

 (Sangita D Chavda)
 Chief Financial Officer

 (Sand Chaudhary Jagatia)
 Company Secretary


 (Hitesh Chavda)
 Non-Executive Director
 DIN: 00478008

 (Vijay Chavda)
 Whole Time Director
 DIN: 03078103



Sanginita Chemicals Limited
Notes to Financial Statements as on 31-03-2023

Note 6 - Investment Property

Particulars	[Rupees in Lacs]	
	As at 31st December, 2022	As at 31st March, 2023
Building		
Cost Carrying Amount		
Costing	80.35	80.35
Accumulated Depreciation		
Costing	36.48	34.00
Depreciation	2.73	2.86
Disposal		0
Balance as at end of the year	80.35	80.35
Net Carrying Amount	43.74	44.40

Note 7 - Other Non-current assets

Particulars	[Rupees in Lacs]	
	As at 31st December, 2022	As at March 31, 2023
Unsecured, unencumbered good advanced to Suppliers (Other related)	47.3	452.85
Other Advances other than Capital Advances		
Security Deposit	31.22	31.22
Total	88.52	472.17

Note 8 - Inventories

Particulars	[Rupees in Lacs]	
	As at 31st December, 2022	As at March 31, 2023
Inventories verified & Certified by Management		
Raw Materials	2029.48	2096.00
Finished Goods	20.50	48.78
Stores and Spares	2.78	3.05
Total	2052.76	2147.83

Note 9 - Trade receivables

Particulars	[Rupees in Lacs]	
	As at 31st December, 2022	As at March 31, 2023
Trade Receivables to customers - Secured	2.08	6.38
Trade Receivables to customers - Unsecured	287.21	2348.58
Trade Receivables that have an increase in Credit Risk that is significant	2.09	6.38
Trade Receivables - Cost Impaired	2.08	6.38
Total Trade receivables	293.46	2361.72

Trade Receivable Aging schedule (Up to December-2022) (FY 2023-24)

Particulars	Outstanding for following periods from date of transaction						Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years		
(i) Unsecured Trade receivables - considered good	2386.71	614.60	0.00	6.00	0.00	2951.31	
(ii) Unsecured Trade Receivables - which have significant increase in credit risk	0.00	0.00	0.00	6.00	0.00	6.00	
(iii) Unsecured Trade Receivables - credit impaired	0.00	0.00	0.00	6.00	0.00	6.00	
(iv) Disputed Trade Receivables - considered good	0.00	0.00	0.00	6.00	0.00	6.00	
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.00	0.00	0.00	6.00	0.00	6.00	
(vi) Disputed Trade Receivables - credit impaired	0.00	0.00	0.00	6.00	0.00	6.00	
Total	2386.71	614.60	0.00	18.00	0.00	2951.31	

Trade Receivable Aging schedule (FY 2022-23)

Particulars	Outstanding for following periods from date of transaction						Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years		
(i) Unsecured Trade receivables - considered good	2348.58	0	0.00	6.38	0.00	2354.96	
(ii) Unsecured Trade Receivables - which have significant increase in credit risk	0.00	0.00	0.00	6.38	0.00	6.38	
(iii) Unsecured Trade Receivables - credit impaired	0.00	0.00	0.00	6.38	0.00	6.38	
(iv) Disputed Trade Receivables - considered good	0.00	0.00	0.00	6.38	0.00	6.38	
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.00	0.00	0.00	6.38	0.00	6.38	
(vi) Disputed Trade Receivables - credit impaired	0.00	0.00	0.00	6.38	0.00	6.38	
Total	2348.58	0.00	0.00	18.00	0.00	2366.58	



Note 10: Cash and cash equivalent

Particulars	(Rupees in Lacs)	
	As at 31st December, 2022	As at March 31, 2023
Cash on hand	2.37	2.72
Total cash and cash equivalents	2.37	2.72

Note 11: Other Current assets

Particulars	(Rupees in Lacs)	
	As at 31st December, 2022	As at March 31, 2023
Advanced suppliers	176.79	157.26
Prepaid Expenses	2.00	0.00
Others		
GST Receivable	74.21	149.28
Other	27.12	30.92
Total	280.12	337.46

Note 12: Equity share capital

Particulars	As at December 31, 2022		As at March 31, 2023	
	No. of shares	Rs Lacs	No. of shares	Rs Lacs
Authorized share capital				
Equity shares of ₹10 each	1000000	1000.00	1000000	1000.00
Preference shares of ₹10 each	0	0.00	0	0.00
Issued and subscribed share capital				
Equity shares of ₹10 each	1726700	1726.77	1726700	1726.77
Subscribed and fully paid up				
Equity shares of ₹10 each	1726700	1726.77	1726700	1726.77
Total	1726700	1726.77	1726700	1726.77

Particulars	As at December 31, 2022		As at March 31, 2023	
	No. of shares	Rupees in Lacs	No. of shares	Rupees in Lacs
At the beginning of the year	1726700	1726.77	1726700	1726.77
Add				
Shares allotted during the year	0	0	0	0
Outstanding at the end of the year	1726700	1726.77	1726700	1726.77

12.1: Voting Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

12.2: Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at December 31, 2022		As at March 31, 2023	
	% of shareholding	No. of shares	% of shareholding	No. of shares
Government of Chhattisgarh	18.94%	282900	18.94%	282900
Sanginita Industries LLP (Continued from Sanginita Industries Pvt. Ltd. Wn 720280011)	33.13%	520900	34.58%	501100*

12.3: Movement of shareholding of Promoter

Sr. No.	Promoter name	Share held by promoters at the end of the period		Beginning of the year		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Government of Chhattisgarh	282900	18.94%	282900	18.94%	0.00%
2	Vijayendra D. Chavale	44221	2.58%	52822	3.06%	-4.43%
3	Harishanker D. Chavale*	37990	2.23%	63290	3.68%	-3.32%
4	Arda Investment House*	72400	4.23%	72640	4.21%	0.06%
5	Sanginita Industries LLP	520900	30.13%	501100	29.08%	-1.43%
	Total	884511	50.93%	1078152	62.84%	-2.22%

*Promoter Group

Note 13: Other Equity

Particulars	(Rupees in Lacs)		
	Retained Earnings	Share Premium	Total
Balance as at April 1, 2022	1,613.73	631.97	2,245.70
Profit/Loss for the Period	41.61	-	41.61
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the year	-	-	-
Issue of Share Capital	-	-	-
Balance as at March 31, 2023	1,655.34	631.97	2,287.31
Profit/Loss for the Period	125.40	-	125.40
Other comprehensive income for the year	-	-	-
Total Comprehensive Income for the year	-	-	-
Issue of Share Capital	-	-	-
Balance as at December 31, 2023	1780.74	631.97	2412.71



Sanginita Chemicals Limited
Notes to Financial Statements as on 31-03-2023

Note 14: Long-term Borrowings

Particulars	(Rupees in Lacs)	
	As at 31st December, 2022	As at March 31, 2023
Long term Borrowings from current parties		
Unsecured		
From related parties	305.30	306.50
Total long term borrowings	305.30	306.50
Total	305.30	306.50

Terms of Unsecured loans are not specified, however it is payable after 1 year

Note 15: Deferred Tax Liabilities (Net)

(a) Deferred Tax Liabilities (Net)

Particulars	(Rupees in Lacs)	
	As at 31st December, 2022	As at March 31, 2023
Property, Plant & Equipment	7.38	4.65
Gross Deferred Tax Liabilities Total (A)	7.38	4.65
Deferred Tax Assets (B)	0.00	0.00
Gross Deferred Tax Assets Total (B)	0.00	0.00
Net Deferred Tax Liabilities Total (A-B)	7.38	4.65

Note 16: Short term Borrowings

Particulars	(Rupees in Lacs)	
	As at 31st December, 2022	As at March 31, 2023
Secured		
Working Capital Loans repayable as demand from Banks		
Cash Credit		
Revolving	636.39	0.11
Charges on hand as on 31.03.2023	0.00	48.01
Trading credit	0.00	
Working Capital demand loan (WCCL)	2600.00	2700.00
Total short term borrowings	3236.39	2851.50

Cash credit, working capital demand loan (WCCL) from the bank is secured by way of hypothecation of all existing and future current assets; Movable fixed assets as well as mortgage of Immovable Properties of the company & Personal Guarantees of Directors.

Note 17: Trade payable

Particulars	(Rupees in Lacs)	
	As at 31st December, 2022	As at March 31, 2023
Trade Payables		
- For Micro and Small Enterprises	513.02	396.33
- Other than Micro and Small Enterprises	276.15	275.28
Total	890.02	671.79

Trade Payables aging schedule (Up to December-2022 (FY 2022-23))

Particulars	(Rupees in Lacs)				Total
	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	113.02	0.00	0.00	0.00	113.02
(ii) Others	776.15	0.00	0.00	0.00	776.15
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
Total	890.02	0.00	0.00	0.00	890.02

Trade Payables aging schedule (FY 2022-23)

Particulars	(Rupees in Lacs)				Total
	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	196.33	0.00	0.00	0.00	196.33
(ii) Others	775.28	0.00	0.00	0.00	775.28
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00
Total	971.79	0.00	0.00	0.00	971.79



Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
Particulars	As at 31st December, 2023	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	113.92	196.51
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the financial statements based on the information received and available with the Company. Further, in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

Note 18 : Other current liabilities

(Rupees in Lacs)

Particulars	As at 31st December, 2023	As at March 31, 2023
Current		
- Payable in respect of Expense	93.93	68.20
- Payable in respect of capital assets	0.05	0.10
Advance from customers	1.00	0.00
Statutory dues	1.10	2.46
Security Deposit	2.00	3.36
Others	9.82	14.95
Total	67.90	89.08

Note 19 : Short term provisions

(Rupees in Lacs)

Particulars	As at 31st December, 2023	As at March 31, 2023
Provision For Income Tax	43.63	12.70
Total	43.63	12.70



SANGINITA CHEMICALS LIMITED**Note-20****ADDITIONAL REGULATORY INFORMATION****20.1. Fair valuation of investment property**

The fair value of the company's investment properties at the end of the year have been determined on the basis of estimation of valuation carried out by the management and on basis of management assessment, fair value of asset is more than carrying amount of the Investment Property

20.2. Borrowings secured against current assets

Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

20.3 Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	In	% Variance	Reason for variance
Current ratio	7853.06	4037.95	1.94	1.89	Times	2.65%	NA
Debt equity ratio	3341.69	4149.08	0.81	0.71	Times	14.08%	NA
Debt service coverage ratio	382.00	193.79	1.97	1.41	Times	39.72%	Due to increase of profit and of interest cost
Return on equity ratio	135.40	4081.38	3.32%	1.04%	Percentage	219.23%	Due to increase of profit
Inventory turnover ratio	2844.01	36.47	78	62	Days	25.81%	Due to Decrease of sales
Trade receivables turnover ratio	2750.00	43.63	63	51	Days	23.53%	NA
Trade payables turnover ratio	930.91	43.28	22	14	Days	57.14%	Due to increase of trade payables



Net capital turnover ratio	9846.72	3095.49	3.18	4.50	Times	29.33%	Due to Decrease of sales
Net profit ratio	135.40	9846.72	1.38%	0.28%	Percentage	392.86%	Due to Increase of profit
Return on capital employed	375.09	4461.75	8.43%	7.02%	Percentage	20.09%	Due to Increase of profit
Return on investment	135.40	8224.80	1.65%	0.52%	Percentage	217.31%	Due to Increase of profit



Sanginita Chemicals Limited
Notes to Financial Statements as on 31-12-2023
Note 21 : Revenue from operations

Particulars	(Rupees in Lacs)	
	31.12.2023	2022-23
Sale of Products	9846.72	14856.41
Total	9846.72	14856.41

Note 22 : Other income

Particulars	(Rupees in Lacs)	
	31.12.2023	2022-23
Office Rent Income	2.04	15.75
Grant	1.74	2.43
Foreign Exchange Gain	2.40	16.63
Dividend Income	13.44	15.23
RodTax	13.80	0.00
MSM License Income	0.00	5.13
Interest on T. Bank	1.21	0.00
Job work income	4.43	0.00
Interest on Deposits	3.36	0.00
Total	46.42	66.67

Note 23 : Cost of materials consumed

Particulars	31.12.2023	2022-23
Raw Material at the beginning of the year (Including Stores & Spares)	2845.07	2201.31
Add: Purchases	7323.17	12494.70
Add: Purchase expense (Direct)	0.14	0.23
Less: Raw Material at the end of the year (Including Stores & Spares)	(2539.24)	(2645.07)
Total	6929.14	12051.23

Note 24 : Changes in inventories of finished goods, work-in-progress

Particulars	31.12.2023	2022-23
Stock at the end of the year		
Finished Goods	56.93	40.78
Work-in-Progress	0.00	0.00
Total	56.93	40.78
Stock at the beginning of the year		
Finished Goods	46.79	187.22
Work-in-Progress	0.00	0.00
Total	46.79	187.22
Decrease / Decrease in stocks	(10.15)	146.44

Note 25 : Employee benefits expense

Particulars	31.12.2023	2022-23
Directors Remuneration	11.05	12.60
Salaries, Wages & Bonus Etc.	67.19	82.92
Contribution to Provident & Other Funds	0.40	0.77
Workers Expenses	5.70	7.08
Total	84.34	103.37

Note 26 : Finance costs

Particulars	31.12.2023	2022-23
Interest expense- Loans	193.79	241.22
Other Borrowing cost		
- Bank Charges	0.20	1.74
- Legal Expenses	0.00	0.09
- Processing Fees	0.00	7.00
Total	193.99	249.97



Note 27 : Depreciation and amortization expense

Particulars	31.12.2023	2022-23
Depreciation on Tangible assets (Refer Note 5&6)	50.08	55.32
Total	50.08	55.32

Note 28 : Other expenses

Particulars	31.12.2023	2022-23
Rent office	4.00	2.40
Insurance	3.03	8.11
Maintenance of plant and machinery	20.08	36.20
Export Exps	25.11	94.35
Security Charges	5.17	6.55
Transport exps	35.01	62.17
Electric expense	0.35	12.07
Power	35.50	52.51
Crane Exps	1.87	2.51
Consultancy Charges	2.48	4.04
Office Exps	4.68	6.04
Legal & Professional	4.82	6.08
Payment to Statutory Auditor	0.88	0.85
Maintenance of Vehicles	1.84	1.86
Delayed in filing charges & Interest	3.13	0.02
Pens	3.16	3.19
GST Exps	2.53	6.36
Cash Discount	0.00	2.56
Travelling expense	9.87	13.84
Right issue	15.60	0.00
Other Expense	7.89	8.38
Total	195.39	319.83

Particulars	31.12.2023	2022-23
Payment to Statutory Auditors		
For Audit fees	0.55	0.70
For income tax matter	0.00	0.15
For other	0.13	0.00
Total	0.68	0.85

Note 29 : Income tax

The major component of Income tax expense for the Nine month ended December 31, 2023 and Year ended March 31, 2023 are:

Particulars	31.12.2023	2022-23
Current tax		
Current income tax	45.83	12.70
Short/ (Excess) provision of IT written back	6.54	0
Deferred tax		
Deferred tax (income)/ expense	3.73	1.20
Income tax expense reported in the statement of profit and loss	46.90	13.90

Reconciliation of deferred tax assets / (liabilities), net		
Particulars	31.12.2023	2022-23
Opening balance as of April 1	(4.98)	(3.48)
Tax (income)/expense during the year recognised in profit or loss	(2.72)	(1.20)
Tax income/expense during the year recognised in OCI	0.00	0.00
Closing balance	(7.38)	(4.68)



Note 30 : Earning per share

Particulars	31.12.2023	2022-23
Earing per share (Basic and Diluted)		
Profit attributable to ordinary equity holders (Rs.)	13539668	4161080
Total no. of equity shares at the end of the year (Nos)	17267700	17267700
Weighted average number of equity shares (Nos)		
For basic EPS	17267700	17267700
For diluted EPS	17267700	17267700
Nominal value of equity shares	10	10
Basic earning per share (Rs per share)	0.78	0.24
Diluted earning per share (Rs per share)	0.78	0.24
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	17267700	17267700
Effect of dilution: Share options	0.00	0.00
Weighted average number of equity shares adjusted for the effect of dilution	17267700	17267700



SANGINITA CHEMICALS LIMITED

Note-31

Additional Information

(A) Employee Benefits expense

Particulars	31.12.2023 (In Lacs)	2022-23 (In Lacs)
Directors Remuneration	11.05	12.60
Salaries, Wages & Bonus Etc.	67.19	82.92
Contribution to Provident & Other Funds	0.40	0.77
Welfare Expenses	5.70	7.08
Total	84.34	103.37

(B) Depreciation and amortisation expense

Particulars	31.12.2023 (In Lacs)	2022-23 (In Lacs)
Depreciation and amortisation expense	50.08	55.32

(C) any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher

Particulars	31.12.2023 (In Lacs)	2022-23 (In Lacs)
Sales	9846.72	14856.41
Purchase	9485.22	12494.76
Interest Expense	193.79	241.22

(D) Interest Expense

Particulars	31.12.2023 (In Lacs)	2022-23 (In Lacs)
Interest Expense	193.79	241.22



(E) Net gain or loss on foreign currency transaction and translation

Particulars	31.12.2023 (In Lacs)	2022-23 (In Lacs)
Net gain on foreign currency transaction	2.40	16.63

(F) Payments to the auditors

Particulars	31.12.2023 (In Lacs)	2022-23 (In Lacs)
Payment to Statutory Auditors		
For Audit fees	0.55	0.70
For Income Tax Matter	0.00	0.15
For other	0.13	0.00
Total	0.68	0.85



Sanginita Chemicals Limited

Notes to Financial Statements for the Nine month ended on 31st December, 2023

32. Unsecured Loans:

The loan taken from directors and their relatives are unsecured.

33. The breakup of Micro & Small Enterprise is provided to us by the management and the same is Accepted by us.

34. The balances of advances and advance given to suppliers , debtors and creditors are subject to balance confirmation by the respective parties and necessary adjustment if any will be made on its reconciliation.

35. In the opinion of the board, the current assets, loans & advances and other receivables have value on realization in ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

36. The Company has not proposed any dividend on paid up share capital during the period under audit.

(37) C.I.F. Value of Imports	For the Nine month ended on 31-Dec-2023 (Amount in Lacs)	For the year ended on 31-March-2023 (Amount in Lacs)
Raw Materials	0.00	0.00

(38) F.O.B. Value of Exports	For the Nine month ended on 31-Dec-2023 (Amount in Lacs)	For the year ended on 31-March-2023 (Amount in Lacs)
F.O.B. Value of Export	1145.50	1671.82

(39) Expenditure in Foreign Currency on Account of	For the Nine month ended on 31-Dec-2023 (Amount in Lacs)	For the year ended on 31-March-2023 (Amount in Lacs)
Purchase of Material	0.00	0.00



(40) Consumption of Raw Materials	For the Nine month ended on 31-Dec-2023 (Amount in Lacs)	For the year ended on 31-March-2023 (Amount in Lacs)
Imported	0.00	0.00
	0.00%	0.00%
Indigenous	6929.14	12051.23
	100.00%	100.00%
Total	6929.14	12051.23

(41) Segment Information

The Company's Primary segment is identified as business segment based on natural of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segment'. The Company is principally engaged in a single business segment viz. 'Chemicals'.

The Geographical segment has been considered for disclosure as secondary segment.

Two secondary segment has been identified based on the geographical location of customers i.e. domestic and export. Information about geographical segments are below.

1. Information about Geographical Areas

(Rs. in Lacs)

Particulars	31.12.2023			2022-23		
	Domestic operations	External operations	Total	Domestic operations	External operations	Total
Segment Revenue	8701.22	1145.50	9846.72	13184.59	1671.82	14856.41
Carrying Cost of Segment Assets	8499.70	0.00	8499.70	7949.90	0.00	7949.90

2. Information about Major Customers

3 customers (previous year 2 customers) individually accounted for 10% or more revenue during financial Nine month ending on 31st December, 2023.

Particulars	31.12.2023	2022-23
Revenue from top Customer	13.51%	11.96%
Revenue from top 5 Customers	47.72%	42.78%



(42) Disclosure pursuant to Related Party

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

Name of Related Parties & Nature of Relationship

(I) Shareholders :

Shri Dineshsinh B. Chavada, Smt. Hansaben D. Chavada, Shri Vijaysinh D. Chavda and Sanginita Industries LLP are holding totally 56.01% equity shares in the Company. (Previous F.Y. 2022-23, 58.23%).

(II) Subsidiaries of the Company:

There is no subsidiary of the company.

(III) Holding Company

There is no holding company of this company.

(IV) Key Management Personnel :

Shri Dineshsinh B. Chavada	-	Managing Director & Chairperson
Shri Vijaysinh D. Chavda	-	Whole Time Director
Ms. Sangita D. Chavda	-	Chief Financial Officer
Ms. Saroj Ghanshyam Jagetia	-	Company secretary

(V) Associates entities:

There is no associate entity of the company.

(VI) Relatives:

Mrs. Anita R. Aswar.

Note: Related party relationship is as identified by the company and relied upon by the Auditor



The following transactions were carried out with the related parties referred in above in the ordinary course of business.

(a) Current Reporting Period (31.12.2023)

Sr.	Particulars	Major Stake holder Sanginita Industries LLP	Board of Directors	Other Relatives
1.	Share Capital invested of (No of shares)	5720900	3950781	728430
2.	% of share contribution	33.13%	22.88%	4.22%
3.	Rent Exp.	NIL	Rs. 2,60,000/-	NIL
4.	Rent Deposit	NIL	Rs. 2,00,000/-	NIL
5.	Salary Exp	NIL	Rs.11,05,000/-	-

(b) Previous reporting period (FY 2022-23)

Sr.	Particulars	Major Stake holder Sanginita Industries LLP	Board of Directors	Other Relatives
1.	Share Capital invested of (No of shares)	5971988	4082781	728430
2.	% of share contribution	34.58%	23.64%	4.22%
3.	Rent Exp.	NIL	Rs. 2,40,000/-	NIL
4.	Rent Deposit	NIL	Rs. 2,00,000/-	NIL
5.	Salary Exp	NIL	Rs.12,60,000/-	-




Particulars		31.12.2023 (In Rs.)	31.03.2023 (In Rs.)	
Rent / lease rent expense				
Hansaben D Chavada		2,60,000	2,40,000	
Share Holding By KMP				
Dineshsinh Chavada		2,92,59,000	2,92,59,000	
Hansaben D Chavada		57,76,600	63,26,600	
Vijaysinh Chavda		44,72,210	52,42,210	
Share Holding by relatives of KMP				
Mrs. Anita R. Aswar		72,84,300	72,84,300	
Deposit				
Hansaben D Chavada (Rent Deposit)		2,00,000	2,00,000	
Remuneration paid/payable to KMP				
Dineshsinh Chavada		5,10,000	6,00,000	
Vijaysinh Chavda		4,95,000	5,40,000	
Hansaben D Chavada		1,00,000	1,20,000	
Ms. Saroj Ghanshyam Jagetia (CS)		1,93,500	2,58,000	
Ms. Sangita D. Chavda (CFO)		3,06,900	2,65,200	
Unsecured Loans	Balance as on 01.04.2023	Loan Accepted	Loan Repaid	Balance as on 31.12.2023
Dineshsinh Chavada	32,50,000	99,00,000	0.00	1,31,50,000
Hansaben D Chavada	39,20,000	7,00,000	14,00,000	32,20,000
Vijaysinh Chavda	27,30,000	12,00,000	15,00,000	24,30,000
Mrs. Anita R. Aswar	62,50,000	9,00,000	46,20,000	25,30,000
Sanginita Industries LLP	45,00,000	47,00,000	0.00	92,00,000
Unsecured Loans	Balance as on 01.04.2022	Loan Accepted	Loan Repaid	Balance as on 31.03.2023
Dineshsinh Chavada	19,00,000	13,50,000	0.00	32,50,000
Hansaben D Chavada	1,11,20,000	28,00,000	1,00,00,000	39,20,000



Vijaysinh Chavda	1,46,30,000	26,00,000	1,45,00,000	27,30,000
Mrs. Anita R. Aswar	43,00,000	19,50,000	0.00	62,50,000
Sanginita Industries LLP	36,00,000	9,00,000	0.00	45,00,000

As Per Our Report Of Even Date
For Devpara Navlakha & Co.
Chartered Accountants
(21975W)

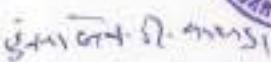

(CA Rahul R. Modi) (Partner)
Membership No: 184321
UDIN-24184321BKABXY8749

Place: Ahmedabad
Dated: 11/01/2024



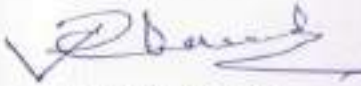
For & On behalf of the Board of Directors
Sanginita Chemicals Limited



(Dinesh Chavda)
Chairman & Managing Director
(DIN : 01497977)


(Hansaben Chavda)
Non-Executive Director
(DIN : 00479509)




(Sangita D Chavda)
Chief Financial Officer


(Vijaysinh Chavda)
Whole Time Director
(DIN : 00479413)


(Suroj Ghaushyam Jagetia)
Company Secretary

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from audited financial statements for the period ended December 31, 2023 and financial years ending March 31, 2023, March 31, 2022 and March 31, 2021. For further details please refer to the chapter titled “*Financial Statements*” beginning on page 80 of this Letter of Offer.

Particulars	For period ended December 31, 2023	As at and for the year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Basic EPS (₹)	0.78*	0.24	0.20	0.44
Diluted EPS (₹)	0.78*	0.24	0.20	0.44
Return on Net Worth (%)	3.26%	1.04%	0.88%	1.94%
Net Assets Value per Equity Share (₹)	24.03	23.24	23.00	22.80
EBITDA (₹ in Lakhs)	426.37	303.83	273.98	388.64

*Not Annualised

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Diluted earnings per share	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Return on net worth (in %)	Total comprehensive income for the year/ Average Net Worth. Average Net Worth is average of opening and closing Net Worth. Net Worth here refers to the aggregate of equity and other equity as shown on the face of the Annual Financial Statements.
Net asset value per Equity Share	Net Worth/ Number of Equity Shares outstanding as at the year end
EBITDA	EBITDA is profit before exceptional items and tax minus other income plus finance costs, depreciation and amortisation expense

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

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 included in this Letter of Offer. Our audited financial statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021, are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Sanginita Chemicals Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Financial Statements" for the Financial Years 2023, 2022 and 2021 included in this letter of offer beginning on page 80 of this Letter of Offer.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

The Company has initially started production of Cuprous Chloride and Cupric Chloride at its factory situated at 3536/8, Near. GIDC, Chhatral, Dist- Gandhinagar (Unit I). Due to increase in the demand of products of our company in the year 2009, we have started Unit II to enhance our production capacity by installing additional machinery for which we had acquired plot admeasuring area of 11,028 sq. meters situated at 1133, Near GIDC Phase-4 Chhatral, Ta. Kalol, Gandhinagar. The Company has got the consolidated consent order for 45 chemical products for producing 15,00,000 Kgs/Month vide GPCB consent no. GPCB/CCA/GNR-468/26535 dated December 3, 2009 having validity upto January 9, 2013.

The company has received the amended consolidated consent order vide amended consent no. GPCB/ID16613/CCA-GNR-468/130303 dated November 9, 2012 for producing the cuprous chloride from 1,00,000 Kgs/month to 5,00,000 kgs/month and additional consent for production of Ferric choloride (5,00,000 KGS/month), Zinc Sulphate (10,00,000 KGS/month) and Manganese Sulphate (5,00,000 KGS/month).

For further details, please refer section titled "**Our Business**" on page 65 of this letter of offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "**Risk Factor**" beginning on page 27 of this Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies;
- Company's results of operations and financial performance;
- Our ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which we are involved;
- Market fluctuations and industry dynamics beyond our control;
- Conflict of interest with our promoter and other related parties;
- Other factors beyond our control;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

- Inflation could trigger an increase in consumer price inflation, which would dampen growth.
- Unfavourable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.
- Availability of cost- effective sources of capital;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.;
- Our ability to successfully execute our growth strategies;
- General Economic and Market Conditions;
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Changes in the value of the Indian rupees and other currencies;
- Arising any type of pandemic situation.

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2023, as required by Ind AS and other applicable standards, see section titled “Financial Information” on page 80.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Information” on page 80 of this Letter of Offer, there has been no change in the accounting policies during the Fiscal 2023 and nine months period ended December 31, 2023.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors’ report for Fiscal 2023 and nine months period ended December 31, 2023.

SUMMARY OF THE RESULT OF OPERATIONS

Our Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the financial results of the company.

Particulars	(₹ in Lakhs)					
	For the period ended 31st December, 2023	(%)*	For the period ended 31st March, 2023	(%)*	For the period ended 31st March, 2022	(%)*
Total Revenue:						
Revenue from Operations	9,846.72	99.59%	14,856.41	99.62%	19,806.82	99.81%
Other Income	40.42	0.41%	56.67	0.38%	36.98	0.19%
Total Revenue	9,887.14	100.00%	14,913.08	100.00%	19,843.80	100.00%
Expenses:						
Cost of material consumed	6,929.14	70.08%	12,051.23	80.81%	17,898.78	90.20%
Purchases of Stock-in-trade	2,262.05	22.88%	1,937.71	12.99%	1,176.13	5.93%
Changes in inventories of finished goods work in-progress	-10.15	-0.10%	140.44	0.94%	67.97	0.34%

Employees Benefit expense	84.34	0.85%	103.37	0.69%	63.28	0.32%
Finance cost	193.99	1.96%	249.97	1.68%	206.59	1.04%
Depreciation and amortisation expense	50.08	0.51%	55.32	0.37%	57.83	0.29%
Other expenses	195.39	1.98%	319.83	2.14%	326.68	1.65%
Total Expenses	9,704.84	98.16%	14,857.87	99.63%	19,797.26	99.77%
Profit before Tax and Extraordinary Expenses	182.30	1.84%	55.21	0.37%	46.54	0.23%
Exceptional Items	-	0.00%	-	0.00%	-	0.00%
Profit/(Loss) before tax	182.30	1.84%	55.21	0.37%	46.54	0.23%
Tax Expenses/(Income)						
Current Tax	43.63	0.44%	12.70	0.09%	11.35	0.06%
Deferred Tax	2.73	0.03%	1.20	0.01%	0.39	0.00%
Excess Provision for Income Tax	0.54	0.01%	-	0.00%	-	0.00%
Previous Year Taxes	-	0.00%	-0.30	0.00%	-	0.00%
Total tax expenses	46.90	0.47%	13.60	0.09%	11.74	0.06%
Profit/(loss) after tax	135.40	1.37%	41.61	0.28%	34.80	0.18%

*(%) column represents percentage of total revenue.

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenues

◆ Revenue of operations:

Revenue from Operations comprises of Revenue from contracts with customers which is our major revenue, and it is derived from sale of chemicals.

◆ Other Income:

The Other Income mainly comprises of Office Rent Income, Foreign Exchange Gain, Duty Drawbacks and other income.

Expenses

Our expenses primarily consist of Cost of Material Consumed, Purchase of stock-in-trade, Change of inventories of finished goods work and stock in trade, Employee Benefits Expenses, Finance Cost, Depreciation and amortisation, Other Expenses.

◆ Cost of Material Consumed

The cost included in consumption of raw material.

◆ Purchase of Stock in Trade

It includes the cost for acquisition of goods or merchandise intended for resale in a business.

◆ **Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress**

It is the difference of Closing Stock and Opening Stock.

◆ **Employment Benefit Expenses**

It includes Director's Remuneration, Salary, Wages & Bonus, Contribution to Provident and other funds and Staff Welfare Expense related to Employees.

◆ **Finance Costs**

Finance cost consist of interest expenses on loan and bank charges.

◆ **Depreciation, Amortisation and Impairment**

It includes Depreciation on Property, Plant and Equipment, Amortization of Right of Use Asset.

◆ **Other Expenses**

Other expense mainly comprises of expenses related to Export Expenses, Transport Expenses, Power, Maintenance of Plant and Machinery, Travelling Expenses etc.

◆ **Tax Expenses**

Tax expense comprises of current tax, previous year taxes, and deferred tax.

FINANCIAL YEAR 2022-23 COMPARED WITH THE FINANCIAL YEAR 2021-22

Total Revenue

Our total revenue decreased by 24.85% to ₹14,913.08 Lakhs for the financial year 2022-23 from ₹19,843.80 Lakhs for the financial year 2021-22 due to the factors described below:

• *Revenue from operations*

Our revenue from operations decreased by 24.99% to ₹14,856.41 Lakhs for the financial year 2022-23 from ₹19,806.82 Lakhs for the financial year 2021-22. The decrease was mainly due to decrease in sale of products by ₹4,950.41 Lakhs in financial year 2022-23.

• *Other Income*

The other income increased by 53.24% to ₹56.67 Lakhs for the financial Year 2022-23 from ₹ 36.98 Lakhs for the financial year 2021-22. During the year ended 2022 and 2023, the increase was mainly due to increase in Foreign Exchange Gain, Duty drawback income and MEIS Licence Income.

Total Expenses

Total Expenses decreased by ₹ 4,939.39 Lakhs and 24.95%, from ₹ 19,797.26 Lakhs in the financial year ended March 31, 2022 to ₹ 14,857.87 Lakhs in the financial year ended March 31, 2023. Our total expenses decreased due to the factors described below:

Cost of Material Consumed

The cost of material consumed for Fiscal 2023 was ₹ 12,051.23 Lakhs as compared to ₹ 17,898.78 Lakhs for Fiscal 2022 representing a decrease of 32.67%. This decrease was due to lower purchases of inputs.

Purchase of Stock in Trade

The purchase of stock in Trade increased by ₹761.58 Lakhs in the Fiscal 2023 and it was ₹1,176.13 Lakhs in the Fiscal 2022.

Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress

The changes inventories of finished goods, stock-in-trade and work in progress for the Fiscal 2023 were ₹ 140.44 Lakhs as compared to ₹ 67.97 Lakhs for the Fiscal 2022. The change is due to lower closing balance of stocks.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by ₹ 40.09 Lakhs and 63.35% from ₹ 63.28 Lakhs in the Fiscal 2022 to ₹ 103.37 Lakhs in the Fiscal 2023. Overall employee cost has increased due to increase in general increment in salary & incentives to employees.

Finance Costs

The Finance Cost increased by ₹43.38 Lakhs in the Fiscal 2023 and it was ₹ 206.59 Lakhs in the Fiscal 2022.

Depreciation & Amortization Expenses

Depreciation in terms of value decreased by ₹ 2.51 Lakhs and -4.34% from ₹ 57.83 Lakhs in the Fiscal 2022 to ₹ 55.32 Lakhs in the Fiscal 2023. Decrease in depreciation and amortisation is due to higher depreciation on Assets.

Other Expenses

Other Expenses in terms of value and percentage decreased by ₹ 6.85 Lakhs and -2.10% from ₹ 326.68 Lakhs in the Fiscal 2022 to ₹ 319.83 Lakhs in the Fiscal 2023. Other Expenses has marginally decreased mainly due decrease in expenses.

Profit Before Tax

Profit before tax has increased by ₹ 8.67 Lakhs and 18.63% from ₹ 46.54 Lakhs in the Fiscal 2022 to ₹ 55.21 Lakhs in the Fiscal 2023. Profit before Tax has increased due to lower expenses.

Net Profit After Tax

Net Profit has increased by ₹ 6.81 Lakhs from profit of ₹ 34.80 Lakhs in Fiscal 2022 to profit of ₹ 41.61 Lakhs in the Fiscal 2023. Due to lower expenses in Fiscal 2023.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “Financial Statements” beginning on page 80 of this Letter of Offer.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Letter of Offer, there have been no significant developments after March 31, 2023, the date of the latest balance sheet included in this Letter of Offer that may affect our future results of operations.

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SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the Letter of Offer including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as ‘material’;

For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations;

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

I. Litigation involving our Company: Litigation filed by and against our Company

Litigations Against Our Company

1. Criminal proceeding: Nil

2. Civil proceeding: Nil

Litigations By Our Company

1. Criminal proceeding: Nil

2. Other Proceeding by our Company including matters which are considered material as per Materiality Policy

Type of Case	Case/ Appeal	Defendant	Amount involved (₹ in Lakhs)	Status of Litigations
Special Civil Suit	98/2021	IDFC First Bank Limited	68.87	Next Hearing on 04/07/2024

II. Litigation involving our Subsidiary: Litigation filed by and against our Subsidiary

1. Criminal proceedings: Not Applicable

2. Outstanding actions by regulatory and statutory authorities: Not Applicable

3. Civil proceedings: Not Applicable

III. Litigation involving our Associate Company: Litigation filed by and against our Associate Company

1. Criminal proceedings: Not Applicable

2. Outstanding actions by regulatory and statutory authorities: Not Applicable

3. Civil proceedings: Not Applicable

IV. Litigation involving our Promoters and Directors: Litigation filed by and against our Promoters and Directors

1. Criminal proceedings: Nil

2. Outstanding actions by regulatory and statutory authorities: Nil

3. Civil proceedings: Nil

IV. Disclosures Pertaining to Wilful Defaulters or a Fraudulent Borrower

Neither our Company, nor our Promoters and Directors have been categorized or identified as willful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

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GOVERNMENT AND OTHER STAUTORY APPROVALS

In view of the approvals listed below, the Company can undertake this issue and its current business activities and no further major approvals from any governmental or regulatory authority except proposed activities of Company or any other entity are required to undertake the Issue or continue its business activities.

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

(A) Approvals for the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on July 14, 2023, authorised the Issue under Section 62 of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution on 08th July, 2023 passed at the 18th AGM under Section 13, 61 & 64 of the Companies Act, 2013 for increase in Authorised Share Capital.

(B) Registration under the Companies Act, 1956/2013:

Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli	U24100GJ2005 PTC47292 on December 15, 2005.	Companies Act, 1956	Certificate Of Incorporation	Valid, till Cancelled
2.	Deputy Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs.	U24100GJ2005P LC047292 on December 23, 2016	Companies Act, 2013	Fresh certificate of Incorporation consequent upon conversion into public limited company	Valid, till Cancelled

(C) Registration under various Acts/Rules relating to Income Tax, Sales Tax, Value Added Tax, Central Excise and Service Tax:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature Of Approvals	Validity
1.	Income Tax Department-(PAN)	AAJCS5356D	Income Tax Act, 1961	Permanent Account Number	Valid, till Cancelled
2.	Income Tax Department-(TAN)	AHMS13121D	Income Tax Act, 1961	Tax Deduction and collection Account Number	Valid, till Cancelled
3.	Commissioner, Gandhinagar	24AAJCS5356D1ZE	Goods and Service Tax Act, 2017	Goods and Service Tax registration Number	Valid, till Cancelled
4.	Assistant Provident Fund Commissioner	Registration No.: GJAHD0054714000	Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Registration with Provident Fund Authority.	Valid, till Cancelled
5.	Assistant Director, Employees' State Insurance Corporation	37-00-0273970000304	Employee State Insurance Act, 1948 (ESIC)	Registration with ESIC Authority	Valid, till cancelled

6.	Gandhinagar Municipal Corporation	PRC080700007	Professions, Business, Trades & Employment Act, 1976	Registration Certificate under Professions, business, Trades & Employment Act, 1976	Valid, till Cancelled
7.	Gandhinagar Municipal Corporation	PEC080700288	Shops and Establishment Act	Registration Certificate under Professions, business, Trades & Employment Act, 1976	Valid, till Cancelled
8.	Foreign Trade Development Officer, Ministry of Commerce and Industry	IEC NO.:0806020300	Foreign Trade (Development & Regulation) Act, 1992	Import- Export Code	Valid, till Cancelled
9.	Environmental Engineer, Gujarat Pollution Control Board, Gandhinagar	Consolidation Consent & Authorization No.: GPCB/CCA-GNR-468(3)/ID-161613/741529	Water (Prevention And Control of Pollution) Act, 1974	Approval from Gujarat Pollution Control Board, for Discharge of Trade Effluent & Emission due to operation of Industrial plant for manufacturing process of various types of chemicals.	Valid up to February 25, 2028
10.	Controller of Explosives, Petroleum and Explosives Safety Organisation (PESO), Government of India	G/WC/GJ/06/1640 (G27792)	The Explosives Act, 1884	License to store Compressed gas in Cylinders (40 Nos.- CHLORINE)	Valid up to September 30, 2030
11.	Ministry of MSME, Govt. Of India	Udayam-GJ-09-0000677	Ministry of Micro, Small & Medium Enterprises, Govt. Of India.	UDAYAM Registration Certificate	-
12.	Ministry of MSME, Govt. Of India	No.: GJ09B0002276	Ministry of Micro, Small & Medium Enterprises, Govt. Of India.	Udyog Aadhaar Registration Certificate.	-
13.	Deputy Director, Industrial Safety and Health, Gandhinagar.	Reg.No.:1348/24117/2008 License No.:2821	Factory Act, 1948	License to work a factory.	December 31, 2026
14.	Innovative Systemcert Private Ltd.	Cert. No. EI-2107015	ISO 9001 :2015	Manufacturing and supply of inorganic metal based chemicals.	August 4, 2024
15.	Regional Officer, CHEMEXCIL	CHEM/AHD/S-545/P-II/17-18/605	Ministry of Commerce, Government of India.	Registration with Basic Chemicals, Pharmaceuticals & Cosmetics	March 31, 2025

				Export Promotion Council	
16.	Registrar of Trademarks	Trademark No. 3462893	Trade Marks Act, 1999	Trade Mark registered	January 21, 2027

(D) Applied But Yet to Receive

NIL

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OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting held on 14th July, 2023.
2. The Board of Directors of our Company in their meeting conducted on May 01, 2024 approved the following terms in respect of the issue:

Issue Size	86,33,850 Equity Shares;
Issue Price	₹ 18/- (Rupees Eighteen) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹ 18/- (Rupees Eighteen) per Rights Equity Share, including a premium of ₹ 8/- (Rupees Eight) per Rights Equity Share);
Rights Issue Entitlement Ratio	1:2 i.e., 1 Equity Shares for every 2 Equity Shares held by eligible Equity Shareholders of our Company as on Record Date;
Record Date	May 07, 2024;

3. The Draft Letter of Offer has been approved by the Board of Directors on August 16, 2023;
4. This Letter of Offer has been approved by the Board of Directors on May 01, 2024;
5. Receipt of In-principle approval from NSE in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number NSE/LIST/37056 from NSE dated September 18, 2023. Our Company will also make application to NSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
6. Our Company has been allotted the ISIN INE753W20010 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company;

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or are not prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Willful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders or willful defaulters;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors;

8. The Company, its Promoters, members of Promoter Group, are in compliance with Companies (Significant Beneficial Ownership) Rules, 2018;

PROHIBITION BY RBI

Neither our Company, nor our Promoter and member of Promoter Group, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the National Stock Exchange of India Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations.
3. Our Company undertakes to make an application to National Stock Exchange of India Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

1. The present Issue being of less than ₹ 5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to NSE for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE PART B-1 OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of Stock Exchanges;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs. As required, a copy of the Letter of Offer will be submitted to SEBI.

DISCLAIMER CLAUSES FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date of this Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Rights Issue will be subject to the jurisdiction of the appropriate court(s) in Gujarat, India only.

DISCLAIMER CLAUSE OF NSE

As required, a copy of this Letter of Offer is being submitted to the NSE. National Stock Exchange of India Limited has given vide its letter dated September 18, 2023 to use its name in this Letter of Offer. The Disclaimer Clause as shall be intimated by the National Stock Exchange of India Limited to us, post-scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with National Stock Exchange of India Limited.

Further, National Stock Exchange of India Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on National Stock Exchange of India Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the National Stock Exchange of India Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against National Stock Exchange of India Limited 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.

FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Draft Letter of Offer with NSE for obtaining In-principle approval.

CONSENTS

Consents in writing of all our Directors, Legal Counsel to the Issue, the Registrar to the Issue, Statutory Auditors and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Letter of Offer.

EXPERT

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

Our Company has received a written consent from our Statutory Auditors, M/s. Devpura Navlakha & Co., Chartered Accountant, to include their name in this Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated August 11, 2018, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

SELLING RESTRICTIONS

The distribution of the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and National Stock Exchange of India Limited. Accordingly, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company to make any filing or registration (other than in India).

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

The contents of the Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor the Registrar nor any of their respective affiliates are making any representation to any offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHT SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, 'U.S. PERSONS' (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHT SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA AND IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHT SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER, THE LETTER OF OFFER, AND ABRIDGED LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY

SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES OR RIGHTS.

ACCORDINGLY, THE DRAFT LETTER OF OFFER, THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, ENTITLEMENT LETTER, AND APPLICATION FORM SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We or the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. **Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. **Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. **Where a registered Indian address is not provided;**
- d. **Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System

(SCORES) as required by the SEBI Circular bearing reference number ‘CIR/OIAE/2/2011 dated June 3, 2011’. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of Mr. Faiyazkhan Yusukhan Pathan (Chairperson of Committee), Mr. Jagdishkumar Vajaji Thakor, and Mr. Vijaysinh Dineshsinh Chavda members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, **Purva Shareregistry (India) Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company’s investor grievances arising out of the Issue will be handled by **Purva Shareregistry (India) Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ‘*Terms of the Issue*’ on page 101 of this Letter of Offer.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary-Compliance Officer	Registrar to the Issue
Ms. Saroj Jagetia	Purva Shareregistry (India) Private Limited

Company Secretary-Compliance Officer	Registrar to the Issue
301, 3rd Floor, Shalin Complex Sector 11, Gandhinagar – 382011, Gujarat, India Telephone: +91-79-23240270 Email id: sanginitachemicals@yahoo.com Website: www.sanginitachemicals.co.in	9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011, Maharashtra, India Tel No.: +91-022-49614132/ 35220056 Website: www.purvashare.com E-mail ID: newissue@purvashare.com Contact Person: Ms. Deepali Dhuri, Compliance Officer SEBI Registration No: INR000001112

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SECTION IX: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application By Eligible Equity Shareholders Holding Equity Shares In Physical Form' on page 117 of this Letter of Offer.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials will be sent/ dispatched only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispached, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	https://www.sanginitachemicals.co.in/
Registrar to the Issue	https://www.purvashare.com/
NSE Limited	https://www.nseindia.com/

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.purvashare.com by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity

Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.sanginitachemicals.co.in/.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Process of making an Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for Application through the ASBA Process' on page 113, respectively of this Letter of Offer.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the

SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' on page 104 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 121 of this Letter of Offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 116 of Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:
 - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (b) Equity Shares held in the account of IEPF authority; or
 - (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
 - (e) Credit of the Rights Entitlements returned/reversed/failed; or
 - (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
 - (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by May 23, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.sanginitachemicals.co.in/)

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Purpose	Link / Email- ID
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Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	www.purvashare.com/ www.sanginitachemicals.co.in
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders	
Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company	
Updating of demat account details by Eligible Shareholders holding shares in physical form	

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

BASIS FOR THIS ISSUE

The Rights Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date i.e., May 07, 2024.

RIGHTS ENTITLEMENTS

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. May 07, 2024, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. <https://www.sanginitachemicals.co.in/>).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent

only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

PRINCIPAL TERMS OF THIS ISSUE

Face Value	Each Rights Equity Share will have the face value of ₹10.00/- (Rupees Ten Only).
Issue Price	₹ 18/- (Rupees Eighteen) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹18/- (Rupees Eighteen) per Rights Equity Share, including a premium of ₹8/- (Rupees Eight) per Rights Share). On Application, Investors will have to pay ₹18 (Rupees Eighteen Only) per Rights Share, the Issue Price.
Rights Entitlements Ratio	The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1(One) Rights Equity Shares for every 2 (Two) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., May 07, 2024.
Renunciation of Rights Entitlements	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and <i>vice versa</i> shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 114 of this Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>
Credit of Rights Entitlements in dematerialised account	<p>In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. May 07, 2024; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE753W20010. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from May 15, 2024 to May 21, 2024 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow</p>

	<p>account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by May 23, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.</p> <p>Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.</p> <p>PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., May 27, 2024 AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE ‘PROCEDURE FOR APPLICATION’ ON PAGE 111 OF THIS LETTER OF OFFER.</p>
<p>Trading of the Rights Entitlements</p>	<p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under Rights Entitlement ISIN INE753W20010. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from May 15, 2024 to May 21, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see ‘<i>Procedure for Renunciation of Rights Entitlements – On Market Renunciation</i>’ and ‘<i>Procedure for Renunciation of Rights Entitlements – Off Market Renunciation</i>’ on page 115 and page no 115 respectively of this Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see ‘<i>Procedure for Application</i>’ on page 111 of this Letter of Offer.</p> <p>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</p>

<p>Terms of Payment</p>	<p>₹18/- (Rupees Eighteen) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹18/- (Rupees Eighteen) per Rights Equity Share, including a premium of ₹8/- (Rupees Eight) per Rights Share).</p> <p>On Application, Investors will have to pay ₹18 (Rupees Eighteen Only) per Rights Share which constitutes 100% (Hundred Percent) of the Issue Price.</p> <p>Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI(ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law,our Company shall pay the requisite interest at such rate as prescribed under applicable law.</p>
<p>Fractional Entitlements</p>	<p>For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is in odd figure the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.</p> <p>For example, if an Eligible Equity Shareholder holds 3 (Three) Equity Shares, such Equity Shareholder will be entitled to 1 (One) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>Further, the Eligible Equity Shareholders holding less than 2 (Two) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.</p>
<p>Credit Rating</p>	<p>As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.</p>
<p>Ranking</p>	<p>The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank pari passu with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.</p>
<p>Listing and trading of the Rights EquityShares to be issued pursuant to this Issue</p>	<p>Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the National Stock Exchange of India Limited vide its letter bearing reference number NSE/LIST/37056 dated September 18, 2023. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.</p>

	<p>For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on NSE and Stock Exchanges (Symbol: SANGINITA) under the ISIN: INE753W01010. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repayit, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading '<i>Terms of Payment</i>' at page 108 of this Letter of Offer.</p>
<p>Subscription to this Issue by our Promoters and our Promoter Group</p>	<p>For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the chapter titled '<i>Capital Structure – Intention and extent of participation by our Promoters/Principal Shareholders</i>' on page 45 of this Letter of Offer.</p>
<p>Rights of Holders of Rights Equity Shares of our Company</p>	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ol style="list-style-type: none"> a) The right to receive dividend, if declared; b) The right to vote in person, or by proxy; c) The right to receive surplus on liquidation; d) The right to free transferability of Rights Equity Shares; e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association. <p>Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.</p>

GENERAL TERMS OF THE ISSUE

Market Lot	The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share.
Joint Holders	Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.
Nomination	Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.
Arrangements for Disposal of Odd Lots	The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 (One) Rights Equity Share and hence, no arrangements for disposal of odd lots are required.
Restrictions on transfer and transmission of shares and on their consolidation/splitting	There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.
Notices	In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send /dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“ Issue Materials ”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. The Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.
Offer to Non-Resident Eligible Equity Shareholders/	As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above

Investors	<p>their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on newissue@purvashare.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.</p> <p>The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.</p> <p>In case of change of status of holders, <i>i.e.</i>, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.</p>
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PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Shareholders holding Equity Shares in physical form as on the Record Date, see '*Procedure for Application by Eligible Shareholders holding Equity Shares in physical form*' on page 117 of this Letter of Offer.

The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Common Application Form

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/

dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchanges.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [https:// www.purvashare.com](https://www.purvashare.com). Investors can access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	https://www.sanginitachemicals.co.in/
Registrar to the Issue	https:// www.purvashare.com
National Stock Exchange of India Limited	https://www.nseindia.com/

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://purvashare.com/investor-service/rights-issue> by entering their DP-ID and Client-ID or Folio Number (Physical Shareholders) and PAN. The link for the same shall also be available on the website of our Company at <https://www.sanginitachemicals.co.in/>.

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on

page of this 121 Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making a plain paper Application. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 116 of this Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to

Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 116 of this Letter of Offer.

ADDITIONAL RIGHTS SHARES

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 127 of this Letter of Offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied

for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the RE ISIN INE753W20010 allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from May 15, 2024 to May 21, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN INE753W20010 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchanges under automatic order matching mechanism and on 'T+2 rolling settlement bases', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and SEBI.

(i) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN INE753W20010 allotted for the Rights Entitlement subject to requisite approvals, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED

The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being '*SANGINITA CHEMICALS LIMITED*';
- (ii) Name and address of the Eligible Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio Number/DP-ID and Client ID Number;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;
- (vi) Number of Rights Shares entitled to;
- (vii) Total number of Rights Shares applied for within the Rights Entitlements;
- (viii) Number of additional Rights Shares applied for, if any;
- (ix) Total Application Money at the rate of ₹ 18/- for Rights Shares;
- (x) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xi) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
- (xiii) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xiv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xv) In addition, all such Eligible Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company, Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. May 07, 2024 and who have opened their demataccounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	www.sanginitachemicals.co.in
Registrar to the Issue	www.purvashare.com
NSE Limited	www.nseindia.com

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.sanginitachemicals.co.in);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. MAY 07, 2024 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
2. Please read the instructions on the Common Application Form sent to you.
3. The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
4. Application should be made only through the ASBA facility.
5. Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
6. In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA process' on page 116 of this Letter of Offer.
7. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this**

Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.

13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

1. Ensure that the Common Application Form and necessary details are filled in.
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ('Demographic Details') are updated, true and correct, in all respects.

4. Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
5. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
6. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
7. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
8. Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
9. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
10. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
11. Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
4. Do not pay the Application Money in cash, by money order, pay order or postal order.
5. Do not submit multiple Applications.
6. Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
7. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
8. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
4. Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
5. Account holder not signing the Application or declaration mentioned therein.
6. Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
7. Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
11. Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
12. Physical Common Application Forms not duly signed by the sole or joint Investors.
13. Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
15. Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Common Application Form or the plain paper

Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

MODE OF PAYMENT

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our

Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

1. Mode of payment for Resident Investors

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- g) Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, the National Stock Exchange of India Limited and our Company;

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

- h) Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- i) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Rights Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India;
- (iii) In case of an Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renounees, who are not Eligible Shareholders, must submit regulatory approval for applying for additional Rights Shares;

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see 'Procedure for Applications by Mutual Funds' on page 131 of this Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements

applicable to this Issue as described in ‘**Capital Structure** – Intention and extent of participation by our Promoters Chapter’ on page 45 of this Letter of Offer.

Last date for Application

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is 115, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the paragraph titled ‘Basis of Allotment’ on page 127 of this Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	May 09, 2024
ISSUE OPENING DATE	May 15, 2024
LAST DATE FOR ON MARKET RENUNCIATION*	May 21, 2024
ISSUE CLOSING DATE[#]	May 27, 2024
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	May 29, 2024
DATE OF ALLOTMENT (ON OR ABOUT)	May 30, 2024
DATE OF CREDIT (ON OR ABOUT)	June 05, 2024
DATE OF LISTING (ON OR ABOUT)	June 06, 2024

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

#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. May 27, 2024.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. May 07, 2024, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., May 23, 2024 to enable the credit of the Rights Entitlements by way of transfer from

the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e May 24, 2024.

For details, please see the section titled 'General Information' on page 40 of this Letter of Offer.

BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after allotment under (a) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Rights Shares renounced in their favour, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity

Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as '**NACH**') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as '**NEFT**') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT

PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated February 20, 2017 with NSDL and an agreement dated February 16, 2017 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same

order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balancesheet of our Company indicating the purpose for which such monies had been utilized; and

- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separatehead in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the EquityShares are to be listed will be taken within the time limit specified by SEBI.
- 3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrarby our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen)days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

MINIMUM SUBSCRIPTION

The Promoters of our Company through its letters dated August 04, 2023, have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The objects of the Issue involve Working Capital Requirements, Capital Expenditures and General Corporate Purposes. Further, our Promoters have undertaken that they will subscribe to the full or part of the extent of their Rights Entitlements subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations.

IMPORTANT

1. Please read the Issue Materials carefully before taking any action. The instructions contained in the Issue Materials are an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**SANGINITA CHEMICALS LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

Unit: SANGINITA CHEMICALS LIMITED

Address: Unit no. 9, Shiv Shakti Industrial Estate, JR Boricha Marg,

Lower Parel (East), Mumbai – 400 011, Maharashtra – India;

Contact Number: +91-022-49614132/ 35220056

E-mail ID/ Investor Grievance Mail ID: newissue@purvashare.com

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

Contact Person: Ms. Deepali Dhuri, Compliance Officer

SEBI Registration Number: INR000001112

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022-23018261/ 23016761.

This Issue will remain open for a minimum 07 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

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SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 10:30 a.m. to 5:00 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to sanginitachemicals@yahoo.com.

A. Material Contracts for the Issue

1. Issue Agreement dated August 10, 2023 between our Company and Fintellectual Corporate Advisors Private Limited, Lead Manager to the Issue;
2. Registrar Agreement dated August 16, 2023 between our Company and Purva Sharegistry India Private Limited, Registrar to the Issue.
3. Bankers to the Issue Agreement dated April 30, 2024 among our Company the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Copy of Certificate of Incorporation dated December 15, 2005 under the name of “Sanginita Chemicals Private Limited”.
3. Copy of Certificate of Change of name due to Conversion from Private Limited to Limited dated December 23, 2016 from “Sanginita Chemicals Private Limited” to “Sanginita Chemicals Limited”.
4. Copy of the Resolutions passed by our Board dated July 14, 2023 approving the Rights Issue and other related matters.
5. Copy of the Resolutions passed by our Board dated August 16, 2023 approving the Draft Letter of Offer.
6. Copy of the Resolutions passed by our Board dated May 01, 2024 approving the Letter of Offer.
7. Copy of annual reports of our Company for the financial year ended on March 31, 2023, 2022 and 2021.
8. Copy of Audited Financial Results for the nine months ended December 31, 2023.
9. Statement of Tax Benefits dated August 11, 2023 issued by M/s Devpura Navlakha & Co., Chartered Accountants.
10. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Lead Manager to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
11. Tripartite Agreement dated February 20, 2017 between our Company, NSDL and the Registrar to the Company.
12. Tripartite Agreement dated February 16, 2017 between our Company, CDSL and Registrar to the Company.
13. In-principal approval issued by the NSE vide its letter NSE/LIST/37056 dated September 18, 2023.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Dineshsinh Bhimsinh Chavada
Chairman & Managing Director
DIN: 01497977

Place: Gandhinagar
Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Vijaysinh Dineshsinh Chavda

Whole Time Director

DIN: 00479413

Place: Gandhinagar

Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mrs. Hansaben Dineshsinh Chavada

Non-Executive Director

DIN: 00479509

Place: Gandhinagar

Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Faiyazkhan Yusufkhan Pathan

Independent Director

DIN: 07702208

Place: Gandhinagar

Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Jagdishkumar Vajaji Thakor
Independent Director
DIN: 07702521

Place: Gandhinagar
Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Directors of the Company

Sd/-

Mr. Pramodsinh D. Dabhi
Independent Director
DIN: 08441361

Place: Gandhinagar
Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Chief Financial Officer of the Company

Sd/-

Ms. Sangitaben Dineshsinh Chavda
Chief Financial Officer

Place: Gandhinagar
Date: May 01, 2024

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DECLARATION

I hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and Rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

Signed by the Company Secretary & Compliance Officer of the Company

Sd/-

Ms. Saroj Jagetia
Company Secretary & Compliance Officer

Place: Gandhinagar
Date: May 01, 2024

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