



SYSCHEM (INDIA) LIMITED

Our Company was originally incorporated as “Anil Pesticides Limited” on December 31, 1993, as a Public Limited Company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana, (the “RoC”). Later, the name of the company was changed to its present name i.e., Syschem (India) Limited vide fresh certificate of incorporation dated December 26, 2001 bearing Registration No. 032195.

Registered Office: Village Bargodam, Tehsil Kalka Dist Panchkula-133302 Haryana, India;

Corporate Office: SCO 825, First Floor, NAC, Mani Majra, Chandigarh-160101, India;

Tel: 0172-5070471/5070472; **E-mail:** info@syschem.in; **Website:** www.syschem.in;

Contact Person: Shikha Kataria, Company Secretary and Compliance Officer;

Corporate Identification Number: L24219HR1993PLC032195

OUR PROMOTERS – MR. RANJAN JAIN, MR. VIRENDRA POPATLAL SHAH AND MR. MAHESH JAGDISHCHANDRA KHOKHANI

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SYSCHEM (INDIA) LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 3190.00 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES OF THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 143 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 25 of this Draft Letter of Offer.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing equity shares are listed on BSE Limited (“BSE”), (the “Stock Exchange”). Our Company has received ‘in-principle’ approvals from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter dated [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE



**BEETAL FINANCIAL & COMPUTER SERVICES
PRIVATE LIMITED**

Address: Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062.

Tel No.: 011-29961281-83

Email: beetalrta@gmail.com, beetal@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Mr. Punit Mittal

SEBI Registration No: INR000000262

Validity: Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Draft Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 58, 20, 91, 53, and 132 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer” or “SIL”	Syschem (India) Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Village Bargodam, Tehsil Kalka Dist Panchkula-133302 Haryana, India and Corporate Office at SCO 825, First Floor, NAC Mani Majra, Chandigarh-160101, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

Company Related Terms

Term	Description
“Audited Financial Statements”	The audited financial statements of our Company, prepared as per Ind AS for Fiscal 2023, Fiscal 2022 and Fiscal 2021, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
“Audit Committee”	The Committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and Section 177 of the Companies Act, 2013. For details, see “Our Management” on page 80 of this DLOO
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and Peer Review Auditor of Our Company, namely, M/s. STAV & Co., Chartered Accountants.
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Mr. Sanjeev Agrawal, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Ms. Shikha Kataria, the Company Secretary and the Compliance Officer of our Company.
“Promoter(s)”	Mr. Ranjan Jain, Mr. Virendra Popatlal Shah and Mr. Mahesh J Khokhani.
“Corporate Social Responsibility Committee/ CSR Committee”	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “Our Management” on page 80 of this Draft Letter of Offer

Term	Description
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified, as described in the chapter titled “ <i>Our Management</i> ” on page 80 of this Draft Letter of Offer
“Equity Shareholder”	A holder of Equity Shares
“Equity Shares”	Equity shares of our Company of face value of ₹ 10 each, unless otherwise specified in context thereof.
“Executive Directors”	Executive Directors of our Company.
“Financial Information”	Collectively the Audited Financial Statements, unless otherwise specified in context thereof.
“Independent Director(s)”	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 86 of this Draft Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
“Nomination and Remuneration Committee”	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 80 of this Draft Letter of Offer.
“Non-Executive and Independent Director”	Non-Executive and Independent Directors of our Company, unless otherwise specified.
“Non-executive Directors”	Non-executive Directors of our Company.
“Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
“Registered and Corporate Office”	The Registered and Corporate Office of our Company located at Village Bargodam, Tehsil Kalka Dist Panchkula-133302 Haryana, India and SCO 825, First Floor, NAC Mani Majra, Chandigarh-160101, India respectively.
“Registrar of Companies”/ “RoC”	Registrar of Companies, N.C.T of Delhi & Haryana having its office at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019 India.
“Restated Financial Statements”	Restated financial statements of our Company for the Fiscals 2023 Fiscal 2022 and Fiscal 2021, prepared in accordance with the Companies Act and restated in accordance with the requirements of the SEBI ICDR Regulations. For details, see “ <i>Financial Information</i> ” on page 91 of this Draft Letter of Offer.

Term	Description
“Rights Committee” Issue	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
“Shareholders/ Equity Shareholders”	The Equity Shareholders of our Company, from time to time.
“Stakeholders’ Relationship Committee”	The Committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” on page 80 of this Draft Letter of Offer.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.

Issue Related Terms

Term	Description
ASBA Circular	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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
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	Allotment of Rights Equity Shares pursuant to the Issue.
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 successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
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 this Draft Letter of Offer, including 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 Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an application authorizing a SCSB to block the Application Money in the ASBA Account

Term	Description
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	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to the successful applicants in the Issue and which is described in “Terms of the Issue” on page 143.
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.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs, which coordinate with the Registrar to the Issue and BSE Limited, a list of which is available on the website of SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Applications, used by the Investors and a list of which is available on the website of SEBI and /or such other websites as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Depository(ies)	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.
Draft Letter of Offer/DLoF/DLOF	This draft letter of offer dated July 13, 2023 filed with the Stock Exchange.
Escrow Account	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– eligible equity shareholders as on record date making an application through the ASBA facility.
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 [●].
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page 13.
Fraudulent Borrowers(s)	Fraudulent Borrowers as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018.
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 3190.00 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Closing Date	[●]
Issue Opening Date	[●]

Term	Description
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 Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ 3190 lakhs
Letter of Offer/LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI.
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see " <i>Objects of the Issue</i> " on page 45 of this Draft Letter of Offer.
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 Bidders or NIIs	An Investor 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 Exchanges, from time to time, and other applicable laws, on or before [●], [●].
QIBs or Qualified Institutional Buyers	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 BSE Limited.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
"Registrar to the Company"	Beetal Financial & Computer Services (P) Limited
"Registrar to the Issue" / "Registrar"	Beetal Financial & Computer Services (P) Limited
Registrar Agreement	Agreement dated 8 th July, 2023 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.

Term	Description
RE ISIN	ISIN for Rights Entitlement i.e, [●]
Rights Entitlement	<p>The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●].</p> <p>The Rights Entitlements with a separate ISIN: [●] 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.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circulars	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Self-Certified Syndicate Banks” or “SCSBs	Self-certified syndicate bank(s) registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or such other website as updated from time to time.
Stock Exchange(s)	Stock Exchange where the Equity Shares are presently listed, being BSE.
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.
Willful Defaulter and Fraudulent Borrower	Company or person, as the case may be, categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by RBI.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
CAGR	Compounded Annual Growth Rate
Covid-19	Coronavirus Disease 2019
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian Rupee (₹)
IT	Information Technology
QoQ	Quarter on Quarter
ROHS	Restriction on certain hazardous substances
RoW	Rest of World
USA/US	United States of America
USD/ US\$	US Dollar
WEO	World Economic Outlook
YoY	Year over Year
TPA	Tonne Per Annum

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CS	Company Secretary
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
R&D	Research and Development
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended

Term	Description
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations or SEBI (SAST) Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
SIPCOT	State Industries Promotion Corporation of Tamil Nadu
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from

NOTICE TO INVESTORS

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

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

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

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

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT 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, NEITHER OUR COMPANY IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

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

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

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

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 are 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.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, 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 in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 91. Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The Restated Financial Statements of our Company for the Financial Years ended March 2023, 2022 and 2021 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act 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 Rupees.

In this Draft 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. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

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 Draft 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 Draft 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 Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 91.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer

rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given forthat column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Consolidated Financial Information.

Exchange Rates

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

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

Currency	Exchange rate as on		
	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.22	75.81	73.50
1 Euro	89.61	84.66	86.06

(Source: www.rbi.org.in and <https://www.fbil.org.in/#/home>)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft 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 Draft 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 25, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

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

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our 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, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally 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 laws, regulations and taxes, incidence of 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:

- Changes in government policies and the regulatory frameworks supporting renewable energy development;
- Decline in market electricity prices;
- We may not have adequate insurance to cover the hazards of our business;
- We may be unable to keep pace with technical and technological developments in our industry;
- Changes in weather conditions, which may affect wind patterns;
- Economic, political and social developments in India and other jurisdictions in which we operate;
- Risks arising from interest rate and currency rate fluctuations;
- Changes in legislation governing the tax regimes under which we operate.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 25, 75 and 121, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions

upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, Our Promoters and Promoter Group nor any of their respective affiliates or advisors 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 the SEBI ICDR Regulations, Our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Industry Overview”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages 25, 35, 42, 45, 75, 58, and 132 respectively.

1. Summary of Industry

Over the last few decades, the Indian pharmaceutical industry has experienced rapid expansion, which may be divided into four stages. We can consider the time before 1970 as the first stage of the pharma industry. At that time, the Indian market was dominated by foreign companies. The second stage covers 1970 to 1990 when several domestic companies began operations. 1990 to 2010 is the third stage, where liberalization led Indian components to launch operations in foreign countries.

The introduction of the patent bill was one of the first advancements in the pharma industry. The patent bill was proposed for the first time in 1970. The bill allowed the Indian pharmaceutical sector to become less reliant on intellectual property laws in the United States

For further details, please refer to the chapter titled “Industry Overview” at page 58 of this Draft Letter of Offer.

2. Summary of primary Business

We are engaged in the manufacture of Bulk Drugs/Intermediates/Specialty Chemicals and contract manufacturing. The Company is owned and operated by a group of highly committed technical commercial professionals having vast experience in the bulk drug business. Their comprehensive capabilities, creative approaches to problem-solving, and track record of reliability and compliance make it an ideal business house. Our strategy is to globalize the intellectual property assets and enhance value to shareholders and customers.

For further details, please refer to the Chapter titled “Our Business” at page 75 of this Draft Letter of Offer.

3. Our Promoters

The Promoters of Our Company are Mr. Ranjan Jain, Mr. Virendra Popatlal Shah and Mr. Mahesh Jagdish Chandra Khokhani.

For further details please see chapter titled “Our Promoters” beginning on page 87 of this Draft Letter of Offer.

4. Objects of the Issue

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

(₹ in lakhs)		
Sr. No.	Particulars	Amount
1.	To Expansion of existing manufacturing facility for manufacturing of Amoxicillin and Cephalixin Unit located at Village Bargodam, Tehsil Kalka, Panchkula, Haryana.	1007.64
2.	Working Capital Requirement	1500.00
3.	General Corporate Purposes	646.40
4.	Issue Expenses	35.00
	Total	3189.04

For further details, please see chapter titled “Objects of the Issue” beginning on page 45 of this Draft Letter of Offer.

5. Summary of Financial Information

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in lakhs)

S. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	3189.04	2329.04	2154.04
2.	Net Worth	2230.47	694.16	712.38
3.	Revenue from operations	13037.68	6563.29	7441.48
4.	Profit after Tax	451.31	(170.72)	(556.59)
5.	Earnings per Share	1.53	(0.76)	(2.58)
6.	Net Asset Value per equity share	6.99	2.98	3.31
7.	Total borrowings	0	174.60	1256.28

For further details, please refer the section titled “Financial Information” on page 91 of this Draft Letter of Offer.

6. Summary of Outstanding Litigation

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

(₹ in lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchange against our Promoters	Material Civil Litigation	Aggregate amount Involved
Company						
Against the Company	1. Ganesh Polychem Vs. Syschem India: case under 138 of Negotiable Instrument Act (Rs. 3.48 Lakhs). 2. Lotus Builder (Unit of Lotus Refineries Pvt. Ltd) Vs Syschem India Limited (Rs. 220.50 Lakhs). 3. QP Pharmacare Limited Vs Syschem India Limited (Rs. 382.09 Lakhs). 4. Shri Shubham Road Carrier VS Syschem India Limited (Rs. 24.26 Lakhs)	NA	NA	The Company has made payment of Rs. 7,59,920/- by way of penalty to BSE Limited with respect to violation on Regulation 34 and 17 (1) of SEBI (LODR) Regulations, 2015 on August 05, 2021	NA	637.92

By the Company	Syschem India Limited vs Jeet Traders (Rs. 0.60 Lakhs) Syschem India VS. S. R. Pharmaceutical (6.21 Lakhs)	NA	NA	NA	NA	6.81
Director						
By our directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	NA	NA	NA	NA	NA
Promoters						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters	NA	NA	NA	Penalty of Rs. 1 lakhs each paid by Promoter and Promoter Group due to delay in filing of disclosures as required to be made under Reg 29, 30(1)& (2) of SEBI (SAST) Regulations, 2011.	-	10.00
Subsidiaries						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA

Note: The Issuer Company does not have any subsidiaries.

For further details, please refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 132 of this Draft Letter of Offer.

7. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 25 of this Draft Letter of Offer.

8. Summary of Contingent Liabilities

Following are the details as per Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021:

Particulars	(₹ in lakhs)		
	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2021
Income tax demands against which the group has gone on appeal	0.00	0.00	0.00
Service Tax Demands against which the group has gone on appeal	0.00	0.00	0.00
Corporate guarantees given	3500.00	0.00	0.00
Claims against the Company/Subsidiaries, not acknowledged as debt	0.00	0.00	0.00

Other Liability as may come, sales tax, GST, Interest on late deposit, PF etc	144.00	72.50	74.80
Total	3644.00	72.50	74.80

For further details, please see the section titled “Financial Information” at page 91 of this Draft Letter of Offer.

9. Summary of Related Party Transactions

Following are the details as per the Financial Information for the Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in lakhs)

Description	Name of the Related Party	2022-23	2021-22	2020-21
Key managerial Personnel	Ranjan Jain	21.00	21.00	Nil
(a) Remuneration				
Remuneration	Ruchika Jain	18.00	18.00	Nil
Remuneration	Suninder Veer Singh	24.00	24.00	Nil
	Gurcharan Kaur	24.00	24.00	Nil
Remuneration	Sanjeev Agrawal	15.00	12.00	Nil
Remuneration	Naresh Batra	Nil	9.26	Nil
Remuneration	Amarjeet Kaur	Nil	Nil	Nil
Remuneration	Shikha Kataria	5.40	4.86	Nil
Remuneration	Deeepanshu Batra	Nil	Nil	Nil
Sale and Purchase of goods and Services	Pharma Care International (Sales)	8673.6	Nil	Nil
	Pharma Care International (Purchase)	6683.82	Nil	Nil
	Rajesh Modi & Co	Nil	5.66	Nil
	Inpetus Healthcare	Nil	64.32	Nil
Unsecured Loan taken from	Ruchika Jain (Promoter)	7	Nil	Nil
	Ranjan Jain	-31.23	-108.85	-107.90
	Security Deposit with Pharma Care International	24.859	Nil	Nil
	Rajesh Gupta (Loan)	Nil	29.91	40.41

(₹ in lakhs)

Closing Balance at the Year End				
Description	Name of the Related Party	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Remuneration	Ranjan Jain	2.68	5.32	6.94
	Ruchika Jain	1.16	6.23	3.46
Remuneration	Suninder Veer Singh	1.64	1.64	3.69
	Gurcharan Kaur	1.64	1.64	1.58
Remuneration	Sanjeev Agrawal	0.81	2.87	Nil
Remuneration	Naresh Batra	Nil	0.08	3.28

Remuneration	Shikha Kataria	0.40	0.40	0.35
Sale and Purchase of Goods and Service	Phrama Care International (Sales)	3937.74	Nil	Nil
Sale and Purchase of Goods and Service	Pharma Care International (Purchase)	2813.12	Nil	Nil
Sale and Purchase of Goods and Service	Rajesh Modi & Co	Nil	0	0.72
Loan	Rajesh Gupta (Loan)	29.91	29.91	40.41
Loan	Ruchika Jain (Promoter)	7.00	Nil	Nil
Loan	Ranjan Jain	13.60	44.83	153.68
Security Deposit for Job Work	Security Deposit with Pharma Care International	2582.86	Nil	Nile

For further details, please see the section titled “*Financial Information*” at page 91 of this Draft Letter of Offer.

10. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of equity shares in the last one year for consideration other than cash.

11. Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of equity shares in the last one year.

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

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Letter of Offer.

SECTION II - RISK FACTORS

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

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 58,75 and 121 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived 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. Neither our Company, nor any other person connected with the Issue has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 18 of this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

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

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Syschem India Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

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 Draft Letter of Offer, 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 Draft Letter of Offer unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements. Unless otherwise specifically provided in the respective Risk factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

INTERNAL RISK FACTORS

1. Legal proceedings have been initiated against our Company and Promoter any adverse developments in any or all of such litigations could adversely affect our business, reputation, financial condition and results of operations.

We, our Promoters are involved in various legal proceedings including criminal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These legal proceedings may not be decided in our favor and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, liquidity, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details of the legal proceedings which materially affect our financial condition and results of operations, please refer to “Legal Proceedings” on page [●].

2. We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our results of operations.

Our business requires a significant amount of working capital and financing. Presently company is not availing any working capital facilities from any banks and the same is being met by internal accruals and arrangements. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs. The inability of our Company to obtain such financing, in a timely manner, on commercially favourable terms to us, or at all may impair our business, results of operations, financial condition and prospects. Presently company do not avail any credit facilities from any Banks or Financial Institutions.

3. The Company has entered into One Time Settlement with Punjab National Bank in past with respect to credit facilities availed by the Company.

Our Company has entered in to One Time Settlement (OTS) with Punjab National Bank in the month of November, 2021 with respect to settlement of outstanding amount of loan availed from banks. Pursuant to above said OTS with Bank, the company has to make payment of Rs 14.75 Crore to the Bank and accordingly company have made payment of Rs. 14.75 Crore to the Bank towards full and final settlement of outstanding loans within prescribed time period in compliance with Settlement Terms.

4. Our Company had negative cash flows from our operating activities, investing activities and financing activities in some of the previous year(s) as per the Restated Standalone Financial Statements and the same are summarized as under:

Our Company had negative cash flows from our operating activities, investing activities and financing activities in some of the previous year(s) as per the Audited Standalone Financial Statements and the same are summarized as under:

(₹ in Lakhs)

Particulars	2020-21	2021-22	2022-23
Net Cash (used) in operating activities	371.83	106.99	(849.49)
Net Cash (used) in investing activities	(377.43)	(78.24)	908.05
Net Cash (used) in financing activities	(5.54)	(28.42)	(4.21)
Net Cash and Cash equivalents	(11.14)	0.33	54.35

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow in future, it may adversely affect our business and financial operations.

5. We have certain contingent liabilities, which have not been provided for. Crystallization of any of these contingent liabilities may adversely affect our financial condition.

The Contingent Liabilities of our Company not provided for as certified by our Board of Directors is as under:

(₹ in Lakhs)

Particulars	As at 31 st March, 2023
Income tax demands against which the group has gone on appeal	0.00
Service Tax Demands against which the group has gone on appeal	0.00
Corporate guarantees given	3500.00
Claims against the Company/Subsidiaries, not acknowledged as debt	0.00
Other Liability as may come, sales tax, GST, Interest on late deposit, PF etc.	144.00
Total	3644.00

In the event any of these contingent liabilities gets crystallized, our financial condition may be adversely affected

6. The purposes for which the proceeds of the Issue are to be utilized have not been appraised by any bank or financial institution. In the event of any upward revision in the estimates, our proposed expenditure would increase which could adversely affect our results of operations, profitability and our ability to effectively implement our business plans.

We intend to use the proceeds that we receive from the Issue for the purposes described in section "Use of Proceeds" beginning on page [●] of the Draft Letter of Offer. The estimated project cost has not been appraised by any bank or financial institution. The fund requirements are based on management estimates and on current market conditions. In view of the competitive nature of our industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our expenditure programmes or increase in our proposed expenditure for our objects and which may adversely affect our results of operations profitability and our ability to effectively implement our business plans. Further, the utilization of the proceeds from the Issue will be monitored by our Board and is not subject to any monitoring by any independent agency.

7. Our operations are dependent on some of the customer requirements and there is a risk of acceptance of our products by the customers.

Presently our operations are mainly dependent on the requirements of top 10 customers. We generate revenue from our Top 10 Customers during last three years i.e., 31st March, 2023, 31st March, 2022 and 31st March, 2021 comprised of Rs. 9433.05 Lakhs, 4881.25 Lakhs and 5813.47 Lakhs respectively, which is equivalent to almost 72%, 74% and

78% respectively of the total revenue generated as on 31st March, 2023, 2022, 2021 respectively. We are an innovation driven enterprise and to produce new products which attracts higher cost. Thus, the cost of the new product is comparatively higher than the usual product. This thus raises the price of the product and thus involves the risk of acceptance by the customer. As a result, number of potential consumers of our product/ services may reduce which will ultimately affect our potential revenue in future to that extent. Further top 10 customers also include some related parties as defined under AS-15 and Companies Act, 2013. The company has complied with applicable provisions of Section 188 of the Companies Act, 2013 read with applicable provisions of Regulations 23 of SEBI LODR Regulations. The company has also confirmed that the transactions with related parties are at arm's Length.

8. Our Domestic Sales are dependent on Top 5 States.

Our domestic Sales are dependent on the Top 5 States including Telangana, Haryana, Maharashtra, Gujrat and Punjab. We generate almost 72%, 72% and 74% of the Total Domestic Sales generated from these states as on 31st March, 2023, 2022, 2021 respectively. Our domestic sales are depending on the above states and in future if any we are not able to sale our products to this state our revenue will impact majorly.

9. Our Company is dependent on few numbers of suppliers for purchase of product. Loss of any of this large Suppliers may affect our business operations.

Our Top Ten Suppliers contributes up to 87%, 51% and 124% of our total Purchases (Material and for services) for the period/year ended March 31, 2023, 2022 and 2021 respectively. We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

10. Our manufacturing process involves the use of hazardous and flammable industrial chemicals which entails significant risks and could also result in enhanced compliance obligations.

Our Company is engaged in manufacturing and supply of Active Pharmaceutical Ingredients (APIs), consequently, our manufacturing facilities utilizes various hazardous and inflammable industrial chemicals and other corrosive raw materials. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would in addition to adversely affecting our reputation also temporarily reduce our manufacturing capacity which could adversely affect our business, results of operations and reputation. Further, any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

11. Being a pharmaceutical company, we operate in a highly regulated and controlled industry environment. Our business is dependent on approvals from relevant regulatory and health authorities. Any delay or failure to obtain or renew such required regulatory approvals, registrations or any change in the regulatory environment in relation to marketing our products in regulated markets may significantly impact our business and strategy affecting our overall profitability.

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. We expect to be or continue to be subject to extensive and increasingly stringent laws and regulations such as The Drugs and Cosmetics Act, 1940, The Drugs and Cosmetics Rules, 1945 etc. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to discontinue any range of product, incur damages, payment of fines or other penalties, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations.

12. Introduction of alternative pharmaceutical products caused by changes in technology or consumer needs may affect demand for our existing products which may adversely affect our financial results and business prospects.

Our business is affected by change in technology, consumer needs, market perception of brand, convenience, health and safety norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of pharmaceutical businesses and consumer needs may have an adverse effect on our business, profitability and growth prospects.

13. We have entered into certain related-party transactions, and we may continue to do so in the future.

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group. These transactions, inter-alia includes issue of shares, remuneration, loans and advances, sales, purchase, reimbursement of expenses etc. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

14. 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.

Our Company has obtained insurance coverage in respect of certain risks which consists of Fire, Earthquake and Burglary on our Active Pharmaceutical Ingredients ("APIs") and their intermediates stock kept at our warehouse. In addition, we have not taken keyman insurance for our directors as well as for the employees. If any uncertainty arises including losses arising on account of third-party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled "Our Business" on page 75 of this Draft Letter of Offer.

15. We are completely reliant on third-party transportation service providers for the movement of raw materials and finished products.

Our Company procures raw materials from disparate parts of the country, and our finished products are transported from our manufacturing facilities to distribution points by transportation vehicles which are not owned or controlled by us. These transportation vehicles are integral to our business operations. We have over the years engaged the services of various transportation service providers to provide us the necessary transportation vehicles. We do not, however, have any contractual arrangements with such third-party transportation service providers. Moreover, most such providers are in the unorganized space and, provide us with a small number of vehicles each. While these service providers have generally, in the past, been reliable there cannot be any assurance that they will continue to be available to us as required. If such third-party service providers discontinue their services for any reasonable length of time and, if we are unable to obtain the services of other service providers our business operations could be adversely impacted, at times, significantly. Moreover, there can be no assurance that we will not be liable for acts of negligence or other acts which may result in harm or injury to third parties. Any such acts could result in serious liability claims (for which we may not be adequately insured) which may, in addition to resulting in pecuniary liability also entail personal liability, which could significantly adversely impact our business operations and financial condition.

16. Failure to meet quality standards required by our customers for our products and processes may lead to cancellation of existing and future orders and expose us to warranty claims.

All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could expose us to monetary liability and, or, litigation. Further, a significant part of our revenue is

derived from customers who use our products to manufacture pharmaceutical product components such active pharmaceutical ingredients (APIs). APIs are an essential component in manufacturing pharmaceutical drugs, and consequently are heavily regulated across all jurisdictions. Quality standards prescribed for APIs require that our products also meet stringent guidelines. Further, our customers regularly carry out audits of our products, facilities and manufacturing processes to ascertain quality. Further, our processes and facilities are also, generally, subject to inspection by customers other than customers in the pharmaceutical industry. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product and loss of customer which could have adverse effect on our reputation, business and our financial condition.

17. We operate in a highly competitive industry.

Any inability to compete effectively may lead to a lower market share or reduced operating margins. We operate in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. As a result, to remain competitive in the market we must continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations. In relation to our products segment, we may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered. For example, if a customer is preparing to launch a new product, we may need to incur substantial capital investments for transition of our manufacturing facilities and resources, which may adversely impact production rates or other operational efficiency measures at our facilities. There can also be no assurance that we will remain competitive with respect to technology, design and quality to our customers' reasonable satisfaction. Additionally, pricing negotiated with our significant customers in future agreements may be less favourable than those under our currently applicable arrangements.

Many of our competitors may be larger than us and may benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

18. We could be adversely affected if we fail to keep pace with technical and technological developments in the pharmaceutical industry.

Our clients are increasingly developing larger, more technically complex project. To meet our clients' needs, we need to regularly modernize existing technology and acquire or develop new technology for our business. In addition, rapid and frequent technology and market demand changes can also render existing technologies and equipment obsolete, requiring substantial outlay in capital expenditures and/or write-downs of obsolete assets. Our failure to anticipate or to respond adequately to changing technical, market demands and / or client requirements could adversely impact our business and financial results.

19. Our Company has proposed to expand existing manufacturing facilities located at Village Bargodam, Tehsil Kalka, Panchkula, Haryana. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.

Our Company has proposed to expand its existing manufacturing facilities for manufacturing of Amoxicillin and Cephalexin at unit located at Village Bargodam, Tehsil Kalka, Panchkula, Haryana. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our company experiences delays in production or shutdowns at any or all of these facilities due to any reason, including disruptions caused by disputes with its workforce or any external factors, our company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

20. We are certain statutory and regulatory approvals, registrations and licenses for our business & proposed premises and our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required

to renew such permits, licenses and approvals including any expansion of existing operations. Further, we may require new registrations and approvals if any whenever required for expansion of proposed operations at Village Bargodam, Tehsil Kalka, Panchkula, Haryana, while we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/licenses/ approvals. Failure to obtain and renew such registrations and approvals within statutory time frame attracts penal provisions. Further, such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations and may have a material adverse effect on our revenues, profits and operations.

EXTERNAL RISK FACTORS

21. Our business is dependent on the Indian economy.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

22. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time-to-time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

22. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "Government and Other Approvals" on page 136 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

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

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

24. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

25. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

26. Our performance is linked to the stability of policies and the political situation in India. The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy.

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

RISKS RELATING TO THE EQUITY SHARES

27. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

28. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

29. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future. Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

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

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

31. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and

- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

32. No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

33. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

34. Applicants to the Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in the Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in the Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after the Issue or cause the trading price of our Equity Shares to decline.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on 4th July, 2023, pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 143 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to [●] Equity Shares
Rights Entitlement	Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
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 less than [●] Equity Shares or is not in multiples of [●], 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.
Record Date	[●]
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Up to ₹ [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 3190.00 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the existing equity shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	3,18,90,400 Equity Shares of ₹ 10/- each.
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]
Security Codes for the Equity Shares	ISIN: INE121D01036 BSE: 531173
ISIN for Rights Entitlements	[*]
Use of Issue Proceeds	For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 45 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 143 of this Draft Letter of Offer.

Please refer to the chapter titled “*Terms of the Issue*” on page 143 of this Draft 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:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

**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.*

*** 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.*

GENERAL INFORMATION

Our Company was originally incorporated as “Anil Pesticides Limited” under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana and consequently a certificate of incorporation dated December 31, 1993 and a certificate for commencement of business dated February 1, 1994 was issued to our Company by the Registrar of Companies, NCT of Delhi & Haryana. Later, the name of the company was changed from Anil Pesticides Limited to its present name i.e., Syschem (India) Limited vide fresh certificate of incorporation consequent upon change of name dated December 26, 2001. The registered office of our company is located at Village Bargodam, Tehsil Kalka Dist Panchkula-134112 Haryana, India.

Registered Office of Our Company

Village Bargodam, Tehsil Kalka
Dist Panchkula-134112
Haryana, India
Telephone: 0172-5070471/5070472
Fax No.: N.A.
E-mail: info@syschem.in
Website: www.syschem.in
Registration Number: 032195
CIN: L24219HR1993PLC032195

Corporate Office of Our Company

SCO 825, First Floor, NAC
Mani Majra, Chandigarh-160101
Telephone: 0172-5070471/5070472
Fax No.: N.A.
E-mail: info@syschem.in
Website: www.syschem.in
Registration Number: 032195
CIN: L24219HR1993PLC032195

Registrar of Companies

Our Company is registered with the Registrar of Companies, Delhi and Haryana, which is situated at the following address:

The Registrar of Companies, Delhi & Haryana

4th Floor, IFCI Tower,
61, Nehru Place
New Delhi-110019, India.

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Mr. Ranjan Jain	56	Managing Director	# 1691, Sector-33-D, Chandigarh-160101	00635274
Mr. Suninder Veer Singh	49	Whole Time Director	House No. 237, Anand Nagar, - A, Tripuri, Patiala-147001	07693557
Ms. Neena Batra	57	Non-Executive-Non-Independent Director	Flat No. 5324/1, Modern Housing Complex, Mani Majra, Chandigarh-160101	07846399
Mr. Arshdeep Kaur	32	Independent Director	Flat No.767, Phase VI, Mohali, 160055	08056826

Ms. Renu Rawat	52	Independent Director	Flat No. 5324/1, Modern Housing Complex, Manimajra, Chandigarh - 160101	08161739
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For detailed profile of our directors, please refer to the chapter titled “Our Management” on page 80 of this Draft Letter of Offer.

Chief Financial Officer

Mr. Sanjeev Agrawal, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

SCO 825, First Floor, NAC
Mani Majra, Chandigarh-160101
Telephone: 0172-5070471/5070472
E-mail: sanjeevagrwal@syschem.in

Company Secretary and Compliance Officer

Ms. Shikha Kataria, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

SCO 825, First Floor, NAC
Mani Majra, Chandigarh-160101
Telephone: 0172-5070471/5070472
E-mail: shikhakataria@syschem.in

Investors may contact Compliance Officer or Registrar to the Issue for any pre-issue / post-issue related matters such as non-receipt of letters of allotment / share certificates / refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs for grievances related to ASBA, giving full details such as name, address of the applicant, e-mail id of the 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 plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For further details on the ASBA process, please refer to the section titled “Terms of the Issue” beginning on page 143 of this Draft Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company: Registrar to the Issue

Beetal Financial and Computer Services (P) Limited
Beetal House, 99 Madangir behind Local Shopping Centre,
Near Dada Harsukh Das Mandir,
New Delhi-110062;
Telephone: +91 11-29961281/82
Email: beetalrta@gmail.com, beetal@beetalfinancial.com
Website: www.beetalfinancial.com
SEBI Registration: INR000000262
Validity: Permanent
Contact Person: Punit Mittal

Statutory and Peer Review Auditor of our Company

M/s. STAV & Co., Chartered Accountants
Chartered Accountants
#3130-P, Sector 22-D,
Chandigarh 160022, India.
Telephone: +91 9888055545
Email: cavarinder.chauhan@gmail.com
Contact Person: CA Varinder Chauhan
Membership No.: 542573
Firm Registration No.: 024510C
Peer Review Certificate No.: 014506

Bankers to the Issue/ Refund Bank

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Designated Intermediaries***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?doRecognisedFpi=yes&intmId=35> and updated from time to time. 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. For further details on the ASBA process, please refer to the details given in ASBA form and also please refer to the chapter titled “Terms of the Issue” starting on page 143 of this Draft Letter of Offer.

Expert Opinion

Except for the reports of the Auditor of our Company on the Restated audited Financial Information and Statement of Tax Benefits, included in the Draft Letter of Offer, our Company has not obtained any expert opinions.

Statement of inter se allocation of Responsibilities for the Issue

The Company has not appointed any merchant banker to the Issue and hence there is no inter-se allocation of responsibilities.

Monitoring Agency

As the issue size is below Rs.100 Crores, no monitoring agency has been appointed.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As this is an Issue of Equity Shares, Credit Rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Changes in Auditors during the last three years

There has not been any change in the Statutory Auditor of our Company in last three years.

Underwriting Agreement

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

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:

Event	Indicative Date
Last Date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation #	[●]
Issue Closing Date*	[●]

**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.*

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither Our Company nor the Registrar to the Issue will 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 Issue Closing Date. For details on submitting Common Application Forms, see “Terms of the Issue” beginning on page 143 of this Draft letter of Offer.

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

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://www.beetalfinancial.com> after keying in their respective details along with either security control measures implemented there at. For further details, see “Terms of the Issue” on page 143 of this Draft Letter of Offer.

Minimum Subscription

The Promoters together with Promoter Group of Our Company *vide* their respective letters dated July 12, 2023 have undertaken that they will subscribe to the full extent of their Rights Entitlements and together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion in the Rights Issue as may be required to ensure that the aggregate subscription in the Rights Issue shall be 90% of the Equity Shares offered in the Rights Issue and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations. Further in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis,

our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such

period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate as prescribed under the applicable laws.

The allotment of Equity Shares 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 Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover 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.

Underwriting

The Issue is not underwritten.

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Final Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased from ten crores to fifty crores. Since the size of this Issue falls below the threshold, the Draft Letter of Offer will not be filed with SEBI. The Draft Letter of Offer will be filed with the stock exchange.

CAPITAL STRUCTURE

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

S. No.	Particulars	Amount (in ₹ except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	5,00,00,000 Equity Shares of ₹ 10 each	50,00,00,000	
	Total	50,00,00,000	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	3,18,90,400 Equity Shares of face value of ₹ 10 each	31,89,04,000	
C.	Present Issue in terms of this Draft Letter of Offer⁽¹⁾		
	Up to [●] Equity Shares of ₹ 10 each	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E.	Securities Premium Account		
	Before the Issue	3,02,50,000	[●]
	After the Issue	[●]	[●]

⁽¹⁾ The present Issue has been authorized vide a resolution passed at the meeting of the Board of Directors dated 4th July, 2023

NOTES TO CAPITAL STRUCTURE

1. Details of outstanding instruments as on the date of this Draft Letter of Offer:

As on date of this Draft Letter of Offer, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. Further no convertible securities are outstanding for conversion as of date of this Draft Letter of Offer.

2. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

The Promoters together with Promoter Group vide their letters dated July 12, 2023 have undertaken to fully subscribe for their Rights Entitlement in the Issue. The Promoters and Promoter Group reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. The Promoters and Promoter Group may also apply for additional Equity Shares in the Issue. As a result of this subscription and consequent allotment, the Promoters and Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by the Promoters and Promoter Group, if any, shall be made in compliance with the applicable provisions of the SEBI SAST Regulations. Allotment to the Promoters and Promoter Group of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements. In the event of renouncement by any promoter and / or member of the promoter group of the Issuer Company, other than renunciation within the promoters / promoter group, the promoters and the promoter group shall not be eligible for exemption available under Regulation 10(4)(b) of the SEBI SAST Regulations, 2011.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations

- The shareholding pattern of our Company as on March 31, 2023, can be accessed on the website of the BSE at:

[https://www.bseindia.com/stock-share-price/syschem-\(india\)-ltd/syschem/531173/shareholding-pattern/](https://www.bseindia.com/stock-share-price/syschem-(india)-ltd/syschem/531173/shareholding-pattern/)

- ii. Statement showing shareholding pattern of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on March 31, 2023 can be accessed on the website of theBSE at:
<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=531173&qtrid=117.00&QtrName=March%202023>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders more than 1% of the total number of Equity Shares as on March 31, 2023 can be accessed on the website of the BSE at:
<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=531173&qtrid=117.00&QtrName=March%202023>

4. Shareholding of Promoter and Promoter Group:

The details of Equity Shares held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such Equity Shares as on 31st March, 2023 are set forth below:

Sr. No.	Name of the Promoter and Promoter Group	Number of fully Paid-up Equity Shares held	Shareholding ng as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares Pledged/Encumbered		Details of Equity Shares Locked-In	
				Number of shares	% of total shares held	Number of shares	% of total shares held
1	Ranjan Jain	34,80,386	10.91	0	0	34,80,386	100.00
2	Virendra Popatlal Shah	25,57,550	8.02	0	0	12,50,000	48.87
3	Mahesh J Khokhani	21,25,027	6.66	0	0	12,50,000	58.82
4	Bhavesh Virendra Shah	14,37,500	4.51	0	0	750000	52.71
5	Bimal Virendra Shah	14,37,500	4.51	0	0	750000	52.71
6	Dinesh Jagdish Khokhani	17,50,000	5.49	0	0	750000	42.86
7	Gurcharan Kaur	7133	0.02	0	0	0	0
8	Mehul J Khokhani	15,55,700	4.88	0	0	7,50,000	48.21
9	Ruchika Jain	18,51,954	5.81	0	0	17,50,000	94.49
10	Suninder Veer Singh	9,59,180	3.01	0	0	525000	54.73

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, or otherwise encumbered.

5. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:

Our Promoters and members of Promoter Group have acquired Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer and the details of the same are as under:

Sr. No.	Name of Promoter and Promoter Group	Number of Shares Acquired	Percentage to Total Capital	Mode of Acquisition
1	Ranjan Jain	13,50,000	4.23	Preferential Allotment (Conversion of Warrants)
2	Ruchika Jain	Nil	NA	NA
3	Suninder Veer Singh	Nil	NA	NA
4	Gurcharan Kaur	Nil	NA	NA
5	Virendra Popatlal Shah	2557550	8.02	Open Offer
6	Mahesh J Khokhani	2125027	6.66	Open Offer
7	Bhavesh Virendra Shah	1437500	4.51	Open Offer
8	Bimal Virendra Shah	1437500	4.51	Open Offer
9	Dinesh Jagdish Khokhani	1750000	5.49	Open Offer
10	Mehul J Khokhani	1555700	4.88	Open Offer

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

The details of shareholders of our Company holding more than 1% of the issued and paid -up Equity Share capital of our Company, as on March 31, 2023 are available on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=531173&qtrid=117.00&QtrName=March%202023>.

7. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●]/- per equity share.
8. At any given time, there shall be only one denomination of the Equity Shares of our Company.
9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.
10. There will be no further issue of equity shares whether by way of a public issue, qualified institutions placement, issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Letter of Offer with Stock Exchange until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the “Gross Proceeds”) after deducting the Issue related expenses (“Net Proceeds”) for the following objects (collectively, referred to as the “Objects”):

The Objects of the Issue are: -

1. To Expansion of existing manufacturing facility for manufacturing of Amoxicillin and Cephalexin at unit located at Village Bargodam, Tehsil Kalka, Dist Panchkula, Haryana.
2. Working Capital requirements;
3. General Corporate Purposes and
4. Issue Expenses

Our Company believes that listing will enhance our Company’s corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

FUND REQUIREMENTS

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

Sr. No.	Particulars	Amount (In Rs. Lakhs)
5.	To Expansion of existing manufacturing facility for manufacturing of Amoxicillin and Cephalexin Unit located at Village Bargodam, Tehsil Kalka, Panchkula, Haryana.	1007.64
6.	Working Capital Requirement	1500.00
7.	General Corporate Purposes	646.40
8.	*Issue Expenses	35.00
	Total	3189.04

** As on 26th June, 2023, the Company has incurred a sum of Rs. 5,00,000 (Rupees Five Lakhs Only) towards issue expenses.*

**The Issue size will not exceed ₹3190.00 Lakh (Rupees Thirty-One Crore Ninety Lakhs Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

Details of Utilization of Issue Proceeds

1. Expansion of existing manufacturing facility for manufacturing of Amoxicillin and Cephalexin unit located at Village Bargodam, Tehsil Kalka, Dist. Panchkula, Haryana

The Company plans for the expansion of existing manufacturing facility for manufacturing of Amoxicillin and Cephalexin Unit located at Village Bargodam, Panchkula, Tehsil Kalka, Haryana, by setting up a parallel production line and pursuant to such expansion the installed capacity of the unit will be increased from 720 TPA to 1380TPA in order to cater the demand of the market.

Basis of the Expenditure

Sr.No.	Equipment Type & Description	Name of Supplier & Brand	Total Qty.	Date of Quotation	Rate	Amount
1.	Enzyme Reactor (SS 316 Enzyme Reactor 10KL)	Metweld Equipments (P) Ltd	2	02.06.2023	Basic: Rs. 2278000 GST @18%: Rs. 410040 Total Cost Per Unit including GST: Rs 2688040	5376080.00
2	SS 316 Reactor (SS 316 10KL Reactor)	Metweld Equipments (P) Ltd	4	02.06.2023	Basic: Rs. 2265000 GST @18%: Rs. 407700 Total Cost Per Unit including GST: Rs 2672700	10690800.00
3	SS 316 Reactor (SS 316 6KL Reactor)	Metweld Equipments (P) Ltd.	3	31.05.2023	Basic: Rs. 1888500 GST@18%: Rs. 339930	6685290.00

					Total Cost Per Unit including GST: Rs 2228430	
4	SS 316 Reactor (SS 316 5KL Reactor 5KL)	Metweld Equipments (P) Ltd.	2	31.05.2023	Basic: Rs. 1733250 GST @18%: Rs. 311985 Total Cost Per Unit including GST: Rs 2045235	4090470.00
5	SS 316 Reactor (SS 316 4KL Reactor 5KL)	Metweld Equipments (P) Ltd.	1	31.05.2023	Basic: Rs. 1535900 GST @18%: Rs. 276462 Total Cost Per Unit including GST: Rs 1812362	1812362.00
6	SS 304 Reactor (SS 316 250 Ltr Reactor)	Metweld Equipments (P) Ltd.	1	31.05.2023	Basic: Rs. 595900 GST @18%: Rs. 107262 Total Cost Per Unit including GST: Rs 703162	703162.00
7	SS 316 Tank (SS 316 500 Ltr Tank)	Metweld Equipments (P) Ltd.	4	31.05.2023	Basic: Rs. 233500 GST @18%: Rs. 42030 Total Cost Per Unit including GST: Rs 275530	1102120.00
8	SS 316 Tank (SS 316 IKL Tank)	Metweld Equipments (P) Ltd.	1	31.05.2023	Basic: Rs. 286100 GST @18%: Rs. 51498 Total Cost Per Unit including GST: Rs 337598	337598.00

9	SS 316 Tank (SS 316 4KL Tank)	Metweld Equipments (P) Ltd.	1	31.05.2023	Basic: Rs. 515600 GST @18%: Rs. 92808 Total Cost Per Unit including GST: Rs 608408	608408.00
10	SS 304 Tank (SS 3045KL Tank)	Metweld Equipments (P) Ltd.	2	31.05.2023	Basic: Rs. 524000 GST @18%: Rs. 94320 Total Cost Per Unit including GST: Rs 618320	1236640.00
11	SS 304 Tank (SS 304 500Litre Tank)	Metweld Equipments (P) Ltd.	1	31.05.2023	Basic: Rs. 169500 GST @18%: Rs. 30510 Total Cost Per Unit including GST: Rs 200010	200010.00
12	SS 316 Bag Lift Instant Top Discharge Centrifuge Machine	Sukhras Machines (P) Ltd	2	29.05.2023	Basic: Rs. 1820000 GST @18%: Rs. 327600 Total Cost Per Unit including GST: Rs 2147600	4295200.00
13	Peeler Type Centrifuge	Sukhras Machines (P) Ltd	1	29.05.2023	Basic: Rs. 6500000 GST @18%: Rs. 1170000 Total Cost Per Unit including GST: Rs 7670000	7670000.00
14	SS 316 Pharma Peeler Type Centrifuge Machine	Sukhras Machines (P) Ltd	1	24.04.2023	Basic: Rs. 3050000 GST @18%: Rs. 549000 Total Cost Per Unit including GST: Rs 3599000	3599000.00
15	Water Cooled	Kirloskar Chillers (P)	-	12.06.2023	Basic: Rs.	2513400.00

	Screw Chillers	Limited			2130000 GST @18%: Rs. 383400 Total Cost Per Unit including GST: Rs 2513400	
16	DG Set (380 KVA)	Sudhir Power Limited	-	30.05.2023	Basic: Rs. 2673593 GST @18%: Rs. 481246.74 Total Cost Per Unit including GST: Rs 3154839.74	3154839.74
TOTAL						54075379.74

Foundation, Fabrication and Civil Works*

Construction Work	Estimated Cost (Rs. In Lakhs)
Civil Construction of Building (Building Size 15800 Sq Ft and 7774 Sq ft) and Installation of Plant and Machinery	353.86
P/Fixing Kota Stone 35-40mm thick flooring including polishing, mortar bedding complete	23.04
P/Fixing 100 mm Skirting including polishing complete	1.08
P/Fixing Kota Stone Stair Case	2.16
Installation & Erection from VS Engineering	15.53
Total	395.67
Add: GST @18%	71.22
Total	466.89

*The Estimate for civil work to be constructed at the premises has been provided by the Civil Contractor M/s MAA Luxmi Enterprises as per their Proposal dated 13th June, 2023 and by M/s V S Engineering vide its proposal dated 20th May, 2023.

1. To Meet the working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company. We intend to meet our working capital requirements to the extent of Rs. 1500.00 Lakhs from the Net Proceeds of this proposed right and the balance will be met from internal accruals and/or borrowings at an appropriate time as per the requirement. Requirement of Working Capital will resolve liquidity issues which will arise due to difference of payment cycle of creditors and debtors. It will also help in getting discounts due to purchase in cash.

Working Capital Requirements

Details of Estimation of Working Capital Requirement

(Rs. In Lakhs)			
Particulars	Actual for the Financial Year ended 31 st March, 2023	Projected for the Financial Year 31 st March, 2024	Projected for the Financial Year 31 st March, 2025
CURRENT ASSETS			
Inventory of Finished Goods	1551.71	987.67	2400.08
Receivables (Including bills Purchased and counted by bankers)	4194.05	3182.64	4114.02
Other Current Assets	45.03	45.03	45.03
Cash & Cash Equivalents	65.80	19.26	41.96
Fixed Deposit with Banks	0	0	0
TOTAL CURRENT ASSETS (A)	5856.59	4234.60	6601.09
CURRENT LIABILITIES			
Sundry Creditors	4045.52	1648.66	2272.17
Other Current Liabilities	251.99	261.49	273.69
Provisions for Taxation	-	302.40	474.48
TOTAL CURRENT LIABILITIES (B)	4297.51	2212.55	3020.34
Working Capital Requirement (A-B)	1559.08	2022.05	3580.75
Sources of Working Capital			
Internal sources	1559.08	2022.05	2080.75
Issue Proceeds	-	-	1500.00

Basis of Estimation

The incremental long-term working capital requirements are based on historical Company data and estimation of the future requirements in FY 2023-24 and 2024-25 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

(No. of days)

Particulars	Basis	2022-23	2023-24	2024-25
Receivables	Collection Period	117	64	60
Payables	Credit Period	160	47	47

General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Rs. 651.40 lakhs for General Corporate Purposes subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited including but not restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

DEPLOYMENT OF FUNDS

As estimated by our management, the entire proceeds from the Issue shall be utilized as follows:

(Rs. in Lakhs)

Particulars	Total Funds required	Proposed Schedule for Deployment	
		FY 2023-24	FY 2024-25
Towards Expansion of existing manufacturing facility for manufacturing of Amoxicillin and Cephalexin at unit located at Village Bargodam, Panchkula, Haryana	1007.64	1007.64	-
Working Capital Requirement	1500.00	-	1500.00
General Corporate Purpose	646.40	646.40	-
Issue Expenses**	35.00	35.00	-
Total***	3189.04		

*Any portion of the Net Proceeds not deployed for the stated Objects in a particular Financial Year will be deployed by our Company in next Financial Year and/ or ahead of the estimated schedule of deployment.

** Subject to the finalization of the Basis of Allotment and the Allotment. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.

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

The fund requirement and deployment is based on internal management estimates and our company's current business plan is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution. Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above - mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on quarterly basis disclose to the Audit Committee the applications 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 Draft 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. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to Our Promoter, Our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the 'Postal Ballot Notice') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be

published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoter of our Company vide letter dated 26th June, 2023, has confirmed that he may: (a) subscribe in part or to full extent of his Rights Entitlement in this Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company, subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations. The Promoter has acknowledged and undertaken that his 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. The Promoter and the Directors do not have any interest in the Objects of the Issue.



STATEMENT OF TAX BENEFITS

Statement of possible special tax benefits available to the Company and its Shareholders

To,

The Board of Directors
Syschem India Limited
Village Bargodam, Tehsil Kalka,
Distt. Panchkula - 133 302 [Haryana]

Re: Proposed rights issue of equity shares of face value Rs. 10 each (the "Equity Shares" and such offering, the "Issue") of Syschem India Limited (the "Company") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the "Act").

Subject: Statement of Special Possible Tax Benefits available to Syschem India Limited and its shareholders.

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and in direct tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2022 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as 'Income Tax Laws'), 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. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

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.

The benefits discussed in the enclosed Annexures are not exhaustive. 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 Offer. Neither we are suggesting nor advising the investor to invest in the Offer, based on this statement.

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


- (i) The Company or its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits have been / would be met with.
- (iii) The revenue authorities/courts will concur with the views expressed herein.



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.

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

For S T A V & CO.
Chartered Accountants
(Firm Registration No. 024510C)

Varinder Singh

(CA VARINDER SINGH)
PARTNER
M. No. 542573

DATED : 08/07/2023

PLACE : CHANDIGARH

UDIN: 23542573BGTXOV7078

ANNEXURE – I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SYSCHEM (INDIA) LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as "the Act")

1. **Special tax benefits available to the Company under the Act**
There are no special tax benefits available to the Company.
2. **Special tax benefits available to the shareholders under the Act**
There are no special tax benefits available to the shareholders of the Company.

Notes:

- a. 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.
- b. 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.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24.
- d. 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.
- e. 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.
- f. 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.



ANNEXURE – II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SYSCHEM (INDIA) LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. 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")

1. Special indirect tax benefits available to the Company under the Act

Refund of tax paid on Export of goods or refund of tax paid on inputs/input services used in export of goods/services.

Under the GST laws, export of goods or services has been treated as a "zero rated supply" i.e. the goods or services exported shall be exempted or refunded of GST levied upon them. Thus, in case of export of goods or services the Company has an option to either pay GST on the supply and claim refund of the same or it can export goods or services without payment of GST and claim refund of the GST paid on inputs and input services used in such export. Going forward, with effect from a date to be notified, the refund of tax paid on export of goods/ services would be available only to notified taxpayers. However, refund of tax paid on inputs and input services used in export would continue to be available as before.

The Company, as an exporter opted to export goods without payment of GST.

Advance Authorization Scheme:

Advance Authorisation is a scheme under FTP that allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also allowed to be imported duty free.

The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input-Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product-Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions. Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s).

The Company, as an exporter availed and enjoyed the benefits under this scheme by importing products without payment of duty subject to fulfillment of certain conditions.

2. Special Indirect tax benefits available to the shareholders under the Act

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

Notes:

- a. 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.
- b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.



- c. 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.
- d. 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.



SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 25 and 92, respectively of this Draft Letter of Offer.

Global Industry Outlook

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.

The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of 1.4 percentage points in the United States. In China, further lockdowns and the deepening real estate crisis have led growth to be revised down by 1.1 percentage points, with major global spillovers. And in Europe, significant downgrades reflect spillovers from the war in Ukraine and tighter monetary policy. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year—upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent.

The risks to the outlook are overwhelmingly tilted to the downside. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated either if labor markets are tighter than expected or inflation expectations unanchored; tighter global financial conditions could induce debt distress in emerging market and developing economies; renewed COVID-19 outbreaks and lockdowns as well as a further escalation of the property sector crisis might further suppress Chinese growth; and geopolitical fragmentation could impede global trade and cooperation. A plausible alternative scenario in which risks materialize, inflation rises further, and global growth declines to about 2.6 percent and 2.0 percent in 2022 and 2023, respectively, would put growth in the bottom 10 percent of outcomes since 1970.

With increasing prices continuing to squeeze living standards worldwide, taming inflation should be the first priority for policymakers. Tighter monetary policy will inevitably have real economic costs, but delay will only exacerbate them. Targeted fiscal support can help cushion the impact on the most vulnerable, but with government budgets stretched by the pandemic and the need for a disinflationary overall macroeconomic policy stance, such policies will need to be offset by increased taxes or lower government spending. Tighter monetary conditions will also affect financial stability, requiring judicious use of macroprudential tools and making reforms to debt resolution frameworks all the more necessary. Policies to address specific impacts on energy and food prices should focus on those most affected without distorting prices. And as the pandemic continues, vaccination rates must rise to guard against future variants. Finally, mitigating climate change continues to require urgent multilateral action to limit emissions and raise investments to hasten the green transition.

The Forces Shaping the Outlook

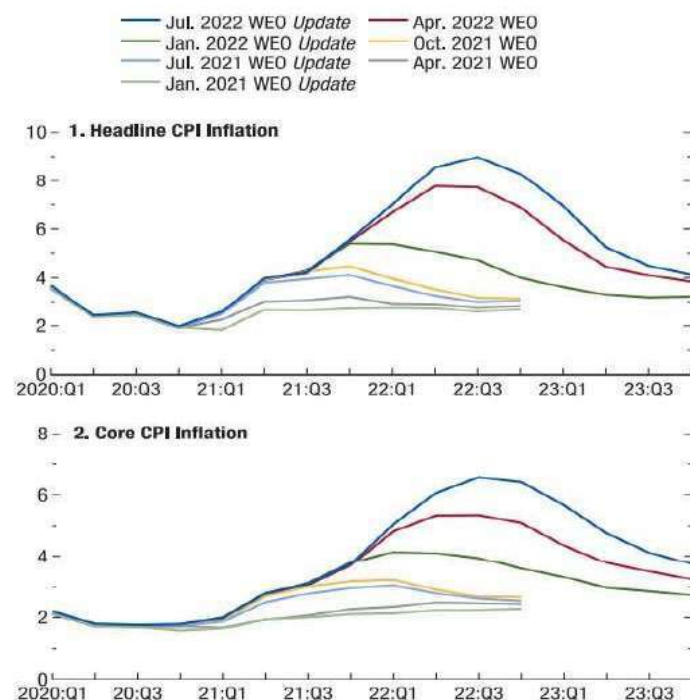
Global slowdown intensifies as downside risks materialize

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022. Performance was slightly better than expected in the first quarter, but world real GDP is estimated to have shrunk in the second quarter—the first contraction since 2020—owing to economic downturns in China and Russia.

Global inflation again surprises on the upside, prompting more central bank tightening.

Since 2021, consumer prices have consistently risen faster than widely expected, including in the World Economic Outlook (Figure 1). In the United States, the consumer price index rose by 9.1 percent in June, compared with a year earlier, and it also rose by 9.1 percent in the United Kingdom in May—the highest inflation rates in these two countries in 40 years. In the euro area, inflation in June reached 8.6 percent, its highest level since the inception of the monetary union. Equally concerning, in emerging market and developing economies, second-quarter inflation is estimated to have been 9.8 percent. Higher food and energy prices, supply constraints in many sectors, and a rebalancing of demand back toward services have in most economies driven up headline inflation. But underlying inflation has also increased, as reflected in different gauges of core inflation, reflecting the pass-through of cost pressures by way of supply chains and tight labor markets, especially in advanced economies.¹ Wage growth has on average not kept up with inflation across both advanced and emerging market and developing economies, eroding household purchasing power. Although long-term inflation expectations have been stable in most major economies, they have started to rise according to some measures, including in the United States (Figure 2). In response to incoming data, central banks of major advanced economies are withdrawing monetary support more assertively and raising policy interest rates faster than expected in the April 2022 World Economic Outlook. Central banks in several emerging market and developing economies have raised interest rates more aggressively than during past advanced economy tightening cycles. The associated rise in longer-term borrowing costs, including mortgage rates, and tighter global financial conditions (see box) have led to precipitous declines in equity prices, weighing on growth. At the same time, public COVID-19 support packages have been wound down.

Figure 1. Global Inflation Forecasts: Serial Upside Surprises
(Percent)

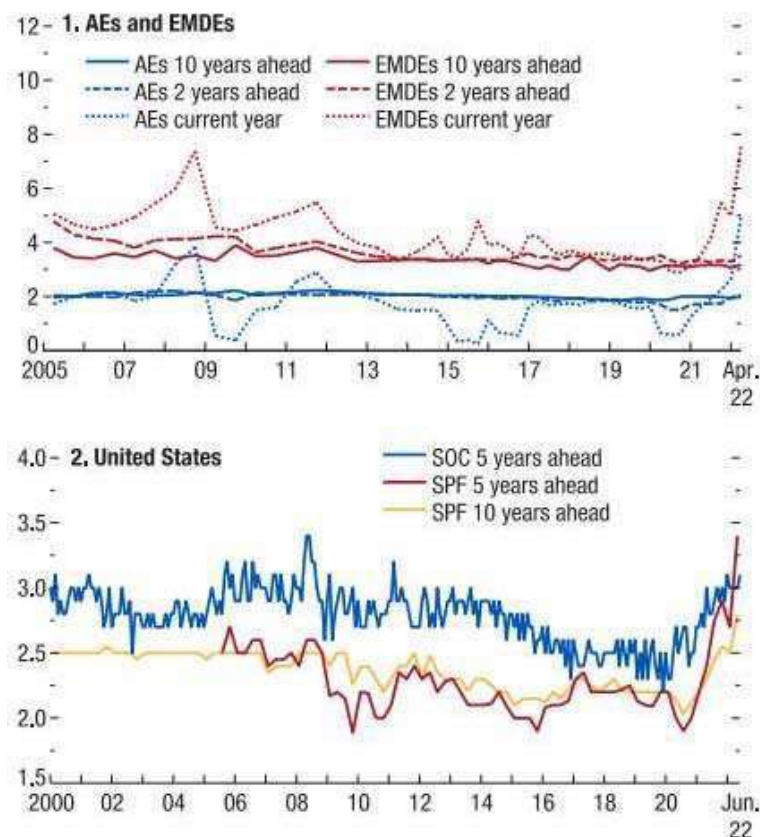


Source: IMF staff calculations.

Note: Global inflation is a weighted average of individual countries' numbers using GDP valued at purchasing power parity as weights. WEO = *World Economic Outlook*.

Figure 2. Longer-Term Inflation Expectations

(Percent)



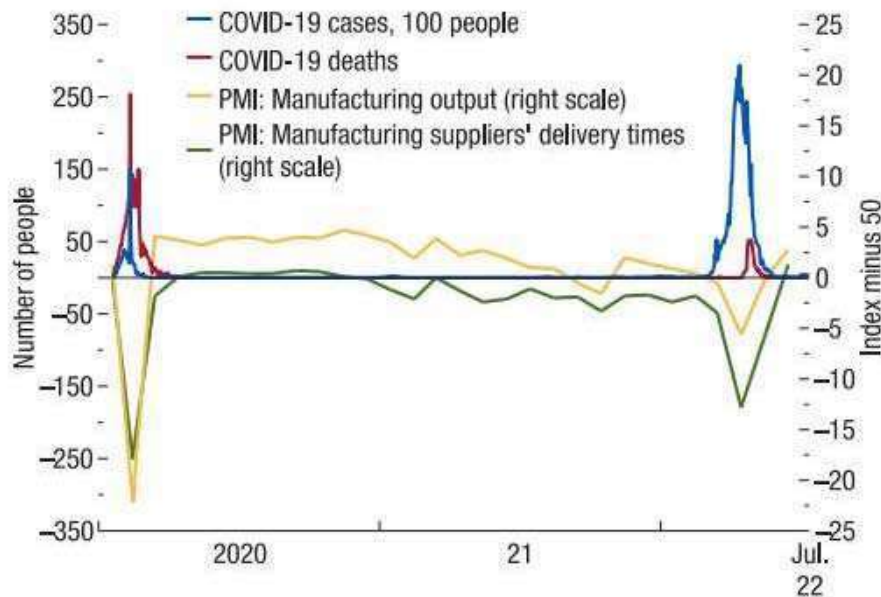
Sources: Consensus Economics; Federal Reserve Bank of Philadelphia; University of Michigan; and IMF staff calculations.

Note: Panel 1 shows median consensus forecasts for respective groups of economies. Consensus Economics forecasts are current year consumer price index inflation forecasts and 2-year-ahead inflation forecasts; for 10-year expectations, they are averages over the 6- to 10-year-ahead horizon. The SOC 5-year-ahead expectations are the average inflation expectations over the following 5 to 10 years. The SPF longer-term forecasts are for the annual averages of inflation over the following 5 and 10 years, respectively. AEs = advanced economies; EMDEs = emerging market and developing economies; SOC = surveys of consumers; SPF = survey of professional forecasters.

China's economic slowdown has added to global supply chain disruptions.

COVID-19 outbreaks and mobility restrictions as part of the authorities' zero-COVID strategy have disrupted economic activity widely and severely (Figure 3). Shanghai, a major global supply chain hub, entered a strict lockdown in April 2022, forcing citywide economic activity to halt for about eight weeks. In the second quarter, real GDP contracted significantly by 2.6 percent on a sequential basis, driven by lower consumption—the sharpest decline since the first quarter of 2020, at the onset of the pandemic, when it declined by 10.3 percent. Since then, more contagious variants have driven a worrisome surge in COVID-19 cases. The worsening crisis in China's property sector is also dragging down sales and real estate investment. The slowdown in China has global consequences: lockdowns added to global supply chain disruptions and the decline in domestic spending are reducing demand for goods and services from China's trade partners

Figure 3. China: COVID-19 Outbreaks and Supply Chain Disruptions



Sources: National Bureau of Statistics of China; National Health Commission of China; and IMF staff calculations.

Note: PMI = purchasing managers' index.

The war in Ukraine continues, causing widespread hardship.

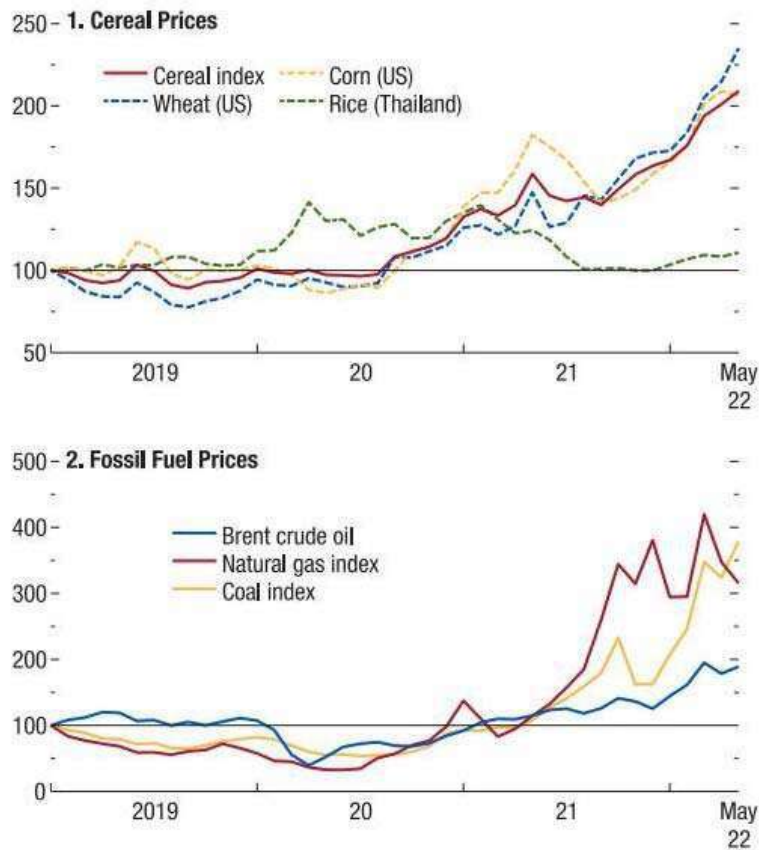
The war's humanitarian cost is rising, with 9 million people having fled Ukraine since the Russian invasion started and continuing loss of life and destruction of physical capital. Since April 2022, major advanced economies have placed additional financial sanctions on Russia, and the European Union agreed on embargoes on imports of coal starting in August 2022 and on Russian seaborne oil starting in 2023. The European Union announced that it will block insuring and financing maritime transport of Russian oil to third countries by the end of 2022. At the same time, the Organization of the Petroleum Exporting Countries has agreed to bring forward increases in oil supply that were planned for September, and the Group of Seven plans to study the possibility of introducing a price ceiling on Russian exports of crude oil. More recently, the flow of Russian pipeline gas to Europe has declined sharply to about 40 percent of the level a year ago, contributing to a steep increase in natural gas prices in June. Russia's economy is estimated to have contracted during the second quarter by less than previously projected, with crude oil and non-energy exports holding up better than expected. In addition, domestic demand is also showing some resilience thanks to containment of the effect of the sanctions on the domestic financial sector and a lower-than-anticipated weakening of the labor market. Relatedly, the war's effects on major European economies have been more negative than expected, owing to higher energy prices as well as weaker consumer confidence and slower momentum in manufacturing resulting from persistent supply chain disruptions and rising input costs.

The food crisis worsens.

Global food prices have stabilized in recent months but remain much higher than in 2021 (see Figure 4). The principal driver of global food price inflation—particularly prices of cereal, such as wheat—has been the war in

Ukraine; export restrictions in several countries have compounded global food price increases, although a few of these restrictions have recently lapsed. Low-income countries, where food represents a larger share of consumption, are feeling the impact of this inflation most keenly. Countries with diets tilted toward commodities with the largest price gains (especially wheat and corn), those more dependent on food imports, and those with a large pass-through from global to local staple food prices are most distressed. Low-income countries whose people were already experiencing acute malnutrition and excess mortality before the war, especially in sub-Saharan Africa, have suffered a particularly severe impact.

Figure 4. Higher Food and Energy Prices
(Index, January 2019 = 100)



Sources: IMF, Primary Commodity Price System; and IMF staff calculations.
Note: Cereal index comprises barley, maize (corn), oats, rice, sorghum, and wheat; natural gas index comprises European, Japanese, and US natural gas price indices; coal index comprises Australian and South African coal.

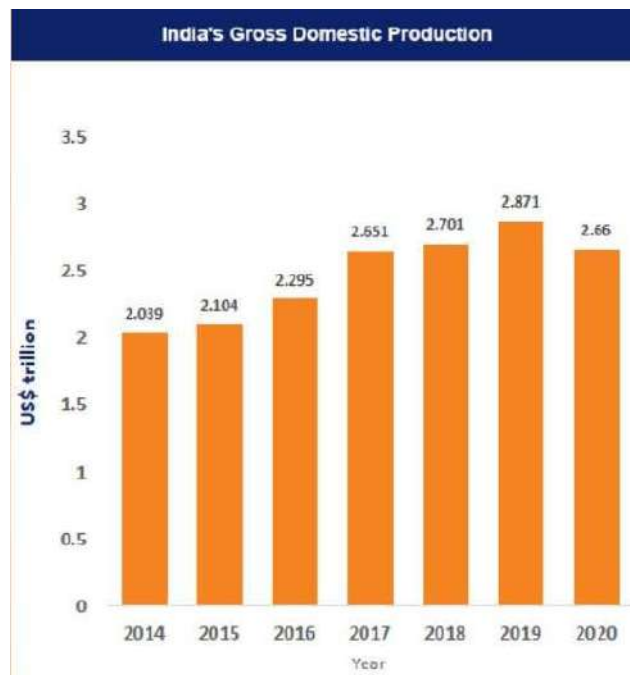
[Source: The International Monetary Fund, *World Economic Outlook July, 2022*]

Indian Economy Overview

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

Market Size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.



Recent Developments

Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022. Some of the important recent developments in the Indian economy are as follows:
- India's merchandise exports were at an all-time high of US\$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.
- The gross Goods and Services Tax (GST) revenue collection hit an all-time high of ₹ 1.68 trillion (US\$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 572.80 billion between April 2000-December 2021.
- India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21
- Foreign portfolio investors (FPIs) invested ₹50,009 crore (US\$ 6.68 billion) in the Calendar year 2021.

- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of ₹ 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

Government Initiatives

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth ₹ 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of ₹ 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of ₹ 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of ₹ 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated ₹ 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated ₹ 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got ₹ 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of ₹ 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth ₹ 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of ₹ 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.

- To boost the overall audit quality and transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives, and large non-banks and housing finance firms.
- In May 2021, the Government of India allocated ₹ 2,250 crore (US\$ 306.80 million) for the development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced ₹ 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~₹ 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to ₹ 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise ₹ 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures, including ₹ 15,000 crores (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India by increasing foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for the second tranche of EUR 150 million (US\$ 182.30 million) for the Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the ₹ 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet approved the signing of a memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched the 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.

- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

Submission to United Nations Framework Convention on Climate Change (UNFCCC)

Salient Features:

- Cabinet approves India's Updated Nationally Determined Contribution to be communicated to the United Nations Framework Convention on Climate Change
- Approval translates Prime Minister 'Panchamrit' announced at COP 26 into enhanced climate targets
- A step towards achieving India's long-term goal of reaching net-zero by 2070
- India now stands committed to reduce Emissions Intensity of its GDP by 45 percent by 2030
- Prime Minister's concept of mass movement for 'LIFE' – 'Lifestyle for Environment' as a key to combating climate change"

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi, has approved India's updated Nationally Determined Contribution (NDC) to be communicated to the United Nations Framework Convention on Climate Change (UNFCCC).

The updated NDC seeks to enhance India's contributions towards achievement of the strengthening of global response to the threat of climate change, as agreed under the Paris Agreement. Such action will also help India usher in low emissions growth pathways. It would protect the interests of the country and safeguard its future development needs based on the principles and provisions of the UNFCCC.

India at the 26th session of the Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Glasgow, United Kingdom, expressed to intensify its climate action by presenting to the world five nectar elements (Panchamrit) of India's climate action. This update to India's existing NDC translates the 'Panchamrit' announced at COP 26 into enhanced climate targets. The update is also a step towards achieving India's long term goal of reaching net-zero by 2070.

Earlier, India submitted its Intended Nationally Determined Contribution (NDC) to UNFCCC on October 2, 2015. The 2015 NDC comprised eight goals; three of these have quantitative targets upto 2030 namely, cumulative electric power installed capacity from non-fossil sources to reach 40%; reduce the emissions intensity of GDP by 33 to 35 percent compared to 2005 levels and creation of additional carbon sink of 2.5 to 3 billion tonnes of CO₂ equivalent through additional forest and tree cover.

As per the updated NDC, India now stands committed to reduce Emissions Intensity of its GDP by 45 percent by 2030, from 2005 level and achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. Today's approval, also takes forward the Hon'ble Prime Minister's vision of sustainable lifestyles and climate justice to protect the poor and vulnerable from adverse impacts of climate change. The updated NDC reads "To put forward and further propagate a healthy and sustainable way of living based on traditions and values of conservation and moderation, including through a mass movement for 'LIFE' – 'Lifestyle for Environment' as a key to combating climate change". The decision on enhanced NDCs demonstrates India's commitment at the highest level for decoupling of economic growth from greenhouse gas emissions.

India's updated NDC has been prepared after carefully considering our national circumstances and the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC). India's updated NDC also reaffirms our commitment to work towards a low carbon emission pathway, while simultaneously endeavoring to achieve sustainable development goals.

Recognizing that lifestyle has a big role in climate change, the Hon'ble Prime Minister of India, at COP 26, proposed a 'One-Word Movement', to the global community. This one word is LIFE...L, I, F, E, i.e. Lifestyle for Environment. The vision of LIFE is to live a lifestyle that is in tune with our planet and does not harm it. India's updated NDC also captures this citizen centric approach to combat climate change.

The updated NDC also represents the framework for India's transition to cleaner energy for the period 2021-2030. The updated framework, together with many other initiatives of the Government, including tax concessions and incentives such as Production Linked Incentive scheme for promotion of manufacturing and adoption of renewable energy, will provide an opportunity for enhancing India's manufacturing capabilities and enhancing

exports. It will lead to an overall increase in green jobs such as in renewable energy, clean energy industries- in automobiles, manufacturing of low emissions products like Electric Vehicles and super-efficient appliances, and innovative technologies such as green hydrogen, etc. India's updated NDC will be implemented over the period 2021-2030 through programs and schemes of relevant Ministries /departments and with due support from States and Union Territories. The Government has launched many schemes and programs to scale up India's actions on both adaptation and mitigation. Appropriate measures are being taken under these schemes and programs across many sectors, including water, agriculture, forest, energy and enterprise, sustainable mobility and housing, waste management, circular economy and resource efficiency, etc. As a result of the aforesaid measures, India has progressively continued decoupling of economic growth from greenhouse gas emissions. The Net Zero target by 2030 by Indian Railways alone will lead to a reduction of emissions by 60 million tonnes annually. Similarly, India's massive LED bulb campaign is reducing emissions by 40 million tonnes annually.

India's climate actions have so far been largely financed from domestic resources. However, providing new and additional financial resources as well as transfer of technology to address the global climate change challenge are among the commitments and responsibilities of the developed countries under UNFCCC and the Paris Agreement. India will also require its due share from such international financial resources and technological support. India's NDC do not bind it to any sector specific mitigation obligation or action. India's goal is to reduce overall emission intensity and improve energy efficiency of its economy over time and at the same time protecting the vulnerable sectors of economy and segments of our society.

(Source: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1847812>)

Road Ahead

- Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution Mr. Piyush Goyal, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year.
- Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal said that India will achieve exports worth US\$ 1 trillion by 2030.
- India's electronic exports are expected to reach US\$ 300 billion by 2025-26. This will be nearly 40 times the FY2021-22 exports (till December 2021) of US\$ 67 billion.
- As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus of 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.
- As per RBI's revised estimates for July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with the government's budget support to states, strengthened the overall growth of the Indian economy.
- India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.
- India is expected to be the third-largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to a shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass the USA to become the second-largest economy in terms of purchasing power parity (PPP) by 2040, as per a report by PricewaterhouseCoopers.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

Indian Outlook of The Indian pharmaceutical industry.

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry.

The sector contributed to around 1.32% of the Gross Value Added (at 2011-12 constant prices) of the Indian Economy in 2020-21. The total annual turnover of Pharmaceuticals in the fiscal year 2021-22 was \$ 42.34 Bn. Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics. India is a global leader in the supply of DPT, BCG, and Measles vaccines.

India is one of the biggest suppliers of low-cost vaccines in the world. India accounts for 60 percent of global vaccine production, contributing upto 70 percent of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette–Guérin (BCG) vaccines, and 90 percent of the WHO demand for the measles vaccine.

The nation is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA compliant Pharma plants outside of USA and is home to more than 3,000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as a highly skilled resource pool.

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines. It manufactures about 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply of generics. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. Because of the low price and high quality, Indian medicines are preferred worldwide, making it “pharmacy of the world”.

Industry Scenario

The pharmaceutical industry in India is expected to reach \$65 Bn by 2024 and to \$130 Bn by 2030.

The pharmaceutical industry in India is currently valued at \$50 Bn.

India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa’s requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.

India also accounts for ~60% of global vaccine demand, and is a leading supplier of DPT, BCG and Measles vaccines. 70% of WHO’s vaccines (as per the essential Immunization schedule) are sourced from India.

The Average Index of Industrial Production of Manufacturing of pharmaceuticals, medicinal chemicals and botanical products in the FY 2021-22 is 221.6 and has grown by 1.3%

For the period 2021-22, export of drugs and pharma products stood at \$24.6 Bn compared to \$24.44 Bn as of 2020-21. The Indian pharma industry witnessed exponential growth of 103% during 2014-22 from \$11.6 bn to \$24.6 Bn.

Source:

<https://www.investindia.gov.in/sector/pharmaceuticals#:~:text=The%20pharmaceutical%20industry%20in%20India,served%20by%20Indian%20pharma%20exports.>

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country’s GDP.

According to a recent EY FICCI report, as there has been a growing consensus over providing new innovative therapies to patients, Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030. Meanwhile, the global market size of pharmaceutical products is estimated to cross over the US\$ 1 trillion mark in 2023.

MARKET SIZE

Market size of India pharmaceuticals industry is expected to reach US\$ 65 billion by 2024, and ~US\$ 130 billion by 2030. According to the government data, the Indian pharmaceutical industry is worth approximately US\$ 50 billion with over US\$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

India is among the top 12 destinations for biotechnology worldwide and 3rd largest destination for biotechnology in Asia Pacific. In 2022, India’s Biotechnology industry has crossed US\$ 80.12 billion, growing 14% from the previous year.

The biosimilars market in India is estimated to grow at a compounded annual growth rate (CAGR) of 22% to become US\$ 12 billion by 2025. This would represent almost 20% of the total pharmaceutical market in India.



The current market size of the medical devices sector in India is estimated to be US\$ 11 billion and its share in the global medical device market is estimated to be 1.5%.

Indian pharma companies have a substantial share in the prescription market in the US and EU. The largest number of FDA-approved plants outside the US is in India.

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030. India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and is expected to reach US\$ 150 billion by 2025. India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value.

In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US\$ 42 billion worldwide. In August 2021, the Indian pharmaceutical market increased at 17.7% annually, up from 13.7% in July 2020. According to India Ratings & Research, the Indian pharmaceutical market revenue is expected to be over 12% Y-o-Y in FY22.

EXPORTS

Pharmaceutical is one of the top ten attractive sectors for foreign investment in India. The pharmaceutical exports from India reach more than 200 nations around the world, including highly regulated markets of the USA, West Europe, Japan, and Australia. India supplied around 45 tonnes and 400 million tablets of hydroxychloroquine to around 114 countries globally.

Exports of Drugs & Pharmaceuticals value at US\$ 2,052.78 million in September 2022 and shares 6.29% of the total exports of the month.

India is the 12th largest exporter of medical goods in the world. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. Indian drug & pharmaceutical exports stood at US\$ 24.60 billion in FY22 and US\$ 24.44 billion in FY21. Indian drug & pharmaceutical exports stood at US\$ 2,196.32 million in September 2022.

INVESTMENTS AND RECENT DEVELOPMENTS

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks third worldwide for production by volume and 14th by value.

In this regard the sector has seen a lot of investments and developments in the recent past.

- Up to 100%, FDI has been allowed through automatic route for Greenfield pharmaceuticals projects. For Brownfield pharmaceuticals projects, FDI allowed is up to 74% through automatic route and beyond that through government approval.
- The cumulative FDI equity inflow in the Drugs and Pharmaceuticals industry is US\$ 20.96 billion during the period April 2000-September 2022. This constitutes almost 3.35% of the total FDI inflow received across sectors.
- Glenmark Pharmaceuticals Ltd. (Glenmark), an innovation-driven, global pharmaceutical company, is the first to launch a unique I.V. injection formulation, Akynzeo I.V., in India for the prevention of chemotherapy-induced nausea and vomiting (CINV), under an exclusive licensing agreement with Helsinn, a Swiss biopharma group company.
- Entod Pharmaceuticals has recently launched its new ocular aesthetic range focused on improving eye comfort and enhancing the aesthetics of the eyes.
- BDR Pharmaceutical has launched the first generic apalutamide (brand name Apatide) in India to treat both metastatic castration sensitive prostate cancer as well as non-metastatic castration resistant prostate cancer. The product will be available across India.
- Anglo French Drugs & Industries Limited (AFDIL), a 99-year-old organization in the pharmaceutical sector, announced that it has entered into the fertility space with the launch of the LYBER range.
- Eli Lilly introduces Ramiven in India, for certain high-risk early breast cancer patients in November 2022.
- ICPA Health Products Ltd (ICPA), a leading pharma company in the oral healthcare segment, has launched its latest product – Heximetro at the annual conference of the Indian Society of Periodontology (ISP) in November 2022.
- The FDI inflows in the Indian drugs and pharmaceuticals sector reached US\$ 19.90 billion between April 2000-June 2022.
- The Indian drugs and pharmaceuticals sector received cumulative FDIs worth US\$ 19.41 billion between April 2000-March 2022.
- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached US\$ 1,414 million between in FY 2021-22.
- The Indian pharmaceutical industry generated a trade surplus of US\$ 15.81 billion in FY22.
- Medical Device industry is expected to reach US\$ 50 billion by 2030 growing at a CAGR of 15%.
- In November 2022, Sun Pharma and SPARC entered into a license agreement for commercialization of phenobarbital for injection in the US.
- Glenmark becomes the First Company in India to launch Teneligliptin + Dapagliflozin Fixed Dose Combination in October 2022.
- In October 2022, Lupin signed an agreement to acquire two inhalation brands from Sunovion Pharmaceuticals Inc.
- Dr. Reddy's Laboratories announced the launch of Lenalidomide Capsules in the U.S. with two of six strengths eligible for first-to-market, 180-day exclusivity in September 2022.
- In June 2022, Cipla partnered with Drugs for Neglected Diseases initiative (DNDi) to announce the launch of a 4-in-1 antiretroviral treatment for children living with HIV in South Africa.
- Glenmark becomes the first pharmaceutical company to launch Indacaterol + Mometasone fixed-Dose combination drug for Asthma in India.
- In May 2022, Sun Pharmaceutical Industries Limited through one of its wholly owned subsidiaries plans to launch Bempedoic Acid under the brand name Brillo, in India for reducing low-density lipoprotein (LDL) cholesterol.
- In May 2022, Dr. Reddy's Laboratories enters into exclusive partnership with HK inno.N Corporation to commercialise novel molecule Tegoprazan in India & select emerging markets.

- In April 2022, Dr Reddy's Laboratories Ltd. inked a pact with MediCane Health to announce the launch of medical cannabis products in Germany.
- The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100% under the automatic route for manufacturing of medical devices subject to certain conditions.
- In March 2022, Themis Medicare Ltd. (Themis), announced the approval of its antiviral drug VIRALEX by the Drug Controller General of India (DCGI).
- The National Digital Health Blueprint has the potential to generate nearly US\$ 200 billion in added economic value for India's healthcare industry over the next 10 years.
- In October 2021, AstraZeneca India launched a Clinical Data and Insights (CDI) division to further strengthen its global presence and manage data-related aspects of its clinical trials.
- In September 2021, the Indian government contributed US\$ 4 billion to the pharmaceutical and medical industries.
- In August 2021, Uniza Group, an Ahmedabad-based pharmaceutical firm, signed an agreement with Lysulin Inc. (an US-based firm) to introduce Lysulin, a nutritional product for Indian consumers.
- In May 2021, Indian Immunologicals Ltd. (IIL) and Bharat Immunologicals and Biologicals Corporation (BIBCOL) inked technology transfer pacts with Bharat Biotech to develop the vaccine locally to boost India's vaccination drive. The two PSUs plan to start production of vaccines by September 2021.

GOVERNMENT INITIATIVES

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- As per the Union Budget 2023-24:
 - A mission to eliminate sickle cell anemia by 2047 will be launched. It would involve raising awareness, conducting a comprehensive screening of seven crore individuals in the impacted tribal regions between the ages of 0 and 40, and providing counselling through coordinated efforts.
 - For innovation in the pharmaceutical sector, through centres of excellence, a new initiative to encourage pharmaceutical research and innovation will be implemented. The government persuades business to spend money on R&D in a few chosen priority fields. At the grassroots level, government has also announced on building 157 nursing colleges in co-location with government medical colleges.
- Ayushman Bharat Digital Mission (ABDM):
 - Under the ABDM, citizens will be able to create their ABHA (Ayushman Bharat Health Account) numbers, to which their digital health records can be linked. This will enable creation of longitudinal health records for individuals across various healthcare providers and improve clinical decision making by healthcare providers.
 - The pilot of ABDM is completed in the six Union Territories of Ladakh, Chandigarh, Dadra & Nagar Haveli and Daman & Diu, Puducherry, Andaman and Nicobar Islands and Lakshadweep with successful demonstration of technology platform developed by the NHA.
 - During the pilot, digital sandbox was created in which more than 774 partner solutions are undergoing integration. As on February 21, 2022, 173,369,087 Ayushman Bharat Health Accounts have been created and 10,114 doctors and 17,319 health facilities have been registered in ABDM.
- Scheme for Development of Pharma industry – Umbrella Scheme:
 - The Department of Pharmaceuticals has prepared an Umbrella Scheme namely 'Scheme for Development of Pharma industry'. Which comprises of the following sub schemes:
 - Assistance to Bulk Drug Industry for Common Facilitation Centres

- Assistance to Medical Device Industry for Common Facilitation Centres
- Assistance to Pharmaceutical Industry (CDP-PS)
- Pharmaceutical Promotion and Development Scheme (PPDS)
- Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)
- As per the Union Budget 2022-23:
 - Rs. 3,201 crore (US\$ 419.2 million) has been set aside for research and Rs. 83,000 crore (US\$ 10.86 billion) has been allocated for the Ministry of Health and Family Welfare.
 - Rs. 37,000 crore (US\$ 4.83 billion) has been allocated to the 'National Health Mission'.
 - Rs. 10,000 crore (US\$ 1.28 billion) has been allocated to Pradhan Mantri Swasthya Suraksha Yojana.
 - The Ministry of AYUSH has been allocated Rs. 3,050 crore (US\$ 399.4 million), up from Rs. 2,970 crore (US\$ 389 million).
- In March 2022, under the Strengthening of Pharmaceutical Industry (SPI) Scheme, a total financial outlay of Rs. 500 crore (US\$ 665.5 million) for the period FY22 to FY26 were announced.
- India could restart deliveries of COVID-19 shots to global vaccine-sharing platform COVAX in November-December 2021 for the first time since April 2021. The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the programme, particularly after it sent ~4 million doses to neighbours and allies in October 2021.
- In November 2021, PM Mr. Narendra Modi inaugurated the first Global Innovation Summit of the pharmaceuticals sector. The summit will have 12 sessions and over 40 national and international speakers deliberating on a range of subjects including regulatory environment, funding for innovation, industry-academia collaboration and innovation infrastructure.
- In August 2021, Union Health Minister, Mr. Mansukh Mandaviya announced that an additional number of pharmaceutical companies in India are expected to commence manufacturing of anti-coronavirus vaccines by October-November 2021. This move is expected to further boost the vaccination drive across the country.
- In June 2021, Finance Minister Ms. Nirmala Sitharaman announced an additional outlay of Rs. 197,000 crore (US\$ 26,578.3 million) that will be utilised over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.
- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.

ROAD AHEAD



The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for investors. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA). Among nations that produce pharmaceuticals, India has long held the top spot. Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise. The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. The National Health Protection Scheme, which aims to offer universal healthcare, the ageing population, the rise in chronic diseases, and other government programmes, including the opening of pharmacies that offer inexpensive generic medications, should all contribute to boost the Indian pharmaceutical industry. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

References: Consolidated FDI Policy, Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council, AIOCD-AWACS, IQVIA, Union Budget 2023-24.

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

India is a significant player in the global medicines industry. In addition, the country holds a large number of scientists and engineers that can propel the sector forward to even greater heights.

In the manufacturing of generic medicines around the world, India takes the first place. The Indian pharmaceutical business supplies 50% of global demand for a variety of vaccines, 40% of generic demand in the United States, and 25% of all medication in the United Kingdom. As of April this year, the moving annual turnover was Rs.1.52 trillion, up from Rs.1.43 trillion in April 2020. The domestic pharmaceutical industry's yearly revenue was Rs.1.3 trillion in April 2019.

The Pharmaceutical Industry's Evolution

Over the last few decades, the Indian pharmaceutical industry has experienced rapid expansion, which may be divided into four stages. We can consider the time before 1970 as the first stage of the pharma industry. At that time, the Indian market was dominated by foreign companies. The second stage covers 1970 to 1990 when several domestic

companies began operations. 1990 to 2010 is the third stage, where liberalization led Indian components to launch operations in foreign countries.

The introduction of the patent bill was one of the first advancements in the pharma industry. The patent bill was proposed for the first time in 1970. The bill allowed the Indian pharmaceutical sector to become less reliant on intellectual property laws in the United States.

SWOT Analysis for Indian Pharma Industry

Every sector has its own set of strengths and weaknesses. Using SWOT analysis, we can identify certain factors of strength and weakness of any subject. SWOT analysis is simple but useful to analyze any sector. Let's analyze the pharma industry in India based on the four classifications of SWOT analysis:

- Strength
- Weakness
- Opportunities
- Threats

Strength

Compared to other nations, the cost of manufacturing pharmaceutical goods in India is much lower and more effective. India's industrial sector is robust. India now has a highly-skilled workforce as a result of technological advancements. By communication development, India's marketing and distribution system are likewise on the higher side. The sector is additionally strengthened by its diversified ecosystem.

Weakness

Despite the liberalization of the FDI restrictions, there is still a lack of investment in research and development, which must be addressed by industry and government. The absence of collaboration between industry and academicians is a major flaw. When compared to other household expenses, health-care costs are insignificant. The manufacturing of low-cost, low-quality medications poses a challenge to the pharmaceutical business.

Opportunities

Despite the industry's flaws, it is anticipated to develop rapidly because of greater export possibilities. It is also anticipated that the export of generic medicines to developed markets would also rise. There is a lot of potential for India to become a hub for international clinical trials. India is also anticipated to play a major role in global pharmaceutical research & development (R&D).

Threats

One of the greatest challenges to the domestic industry is the product patent policy. To combat this danger, the sector must step up its R&D efforts. The Government of India's Drug Price Control Order put excessive pressure on product pricing, affecting pharmaceutical companies' profitability. Small businesses face a danger from the new MRP-based excise duty structure.

The Role of U.S. FDA

The United States accounts for more than a quarter of Indian pharmaceutical exports. The Food and Drug Administration in the United States is in charge of maintaining public health in the country. Around 30% of the generic medication supplied to the United States comes from India. As a result, every medicine sold in the United States is subject to FDA monitoring and site visits by Indian businesses.

Pharmaceutical Industry Performance Over the Years

The BSE Healthcare Index has risen at a CAGR of 12% per year over the previous ten years, while Nifty Pharma has returned approximately 10.94% per year. During the same period, Nifty has returned 12.28% per year, while Sensex has returned 12.72 % per year. With the spread of the coronavirus, the pharmaceutical industry and mutual funds that invest in it have done better than their counterparts recently.

Research & Development

Companies in India have begun to adjust their product development methods to the modern environment. The companies broke into the worldwide market by exploring generic alternatives to proprietary medications and then

filing lawsuits to challenge the patent. The new patent policy hasn't changed this strategy, and it appears to be growing in the future. Those who can afford it, on the other hand, have set their eyes on an even loftier goal: the discovery of new molecules. Despite the large initial investment, companies are attracted by the promise of high-profit margins and, therefore, a credible competitor in the worldwide market. Local businesses have gradually increased their R&D spending or established collaborations to take advantage of these prospects.

Key Takeaways

1. According to government sources, India's medical expenditures would increase by at least 9% to 12% in the next five years, making it one of the 10 largest nations in terms of medical spending.
2. Compared to other nations, the cost of manufacturing pharmaceutical goods in India is lower and more effective.
3. The BSE Healthcare Index has risen at a CAGR of 12% per year over the previous ten years, while the Nifty Pharma has returned approximately 10.94% per year.

Source: <https://groww.in/blog/overview-of-pharma-industry-in-india>

DETAILS OF OUR BUSINESS

Summary of Primary Business

Syschem (India) Limited (SIL) is a listed company engaged in the manufacture of Bulk Drugs/ Intermediates / Specialty Chemicals and contract manufacturing. The company is owned and operated by a group of highly committed techno commercial professionals having vast experience in the bulk drug business. Their comprehensive capabilities, creative approaches to problem-solving, and track record of reliability and compliance make it an ideal business house. Our strategy is to globalize the intellectual property assets and enhance value to shareholders and customers.

Syschem (India) Limited adheres to the principles of corporate governance by consistently endeavoring towards improved operational performance through compliance with various laws, listing agreement and the CODE OF CONDUCT & POLICIES of the company.

Syschem (India) Limited is committed to the CODE OF CONDUCT as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 and the POLICIES as required under Clause 49 of the Listing Agreement and as adopted by the Board of Directors of the Company.

The Company is headquartered at Chandigarh and has Manufacturing facilities located at Kalka, Panchkula (Haryana). Marketing office for the company is based in Mumbai. Company has 7 acres of land.

Our Products

Sr. No.	Product	Uses
01	Amoxycillin Trihydrate	Used for stopping the growth of bacteria such as chest infection (including pneumonia), dental abscesses, and also used to treat of stomach ulcer.
02	Ampicillin Trihydrate	Used wide variety of bacterial infections such as meningitis, throat, sinuses and lungs and also works in treatment of urinary tract and gastrointestinal tract.
03	Cloxacillin Sodium	Used wide variety of bacterial infections and stopping the growth of bacteria and treat only bacterial infection.
04	Dicloxacillin Sodium	Used wide variety of bacterial infections such as ear, nose, throat, tonsillitis, bronchitis and bones and also having vitroactivity against gram-positive and gram negative aerobic and anaerobic bacteria.
05	Flucloxacillin Sodium	Used in bacterial infections such as respiratory tract infection and skin or fleshy tissue infection.
06	Oxacillin Sodium	Used in staphylococcal infection especially with penicillinase producing staphylococcus and also works in prosthetic joint, skin and soft tissue by the bacterial infections.
07	Cefalexin Monohydrate	Used to treat in certain infections caused by the bacteria,

		such as pneumonia, respiratory tract infection and infections of skin, ear, genital and urinary tract.
08	Cefadroxil Monohydrate	Used to treat the infections of skin, throat, tonsils and urinary tract by the bacteria.
09	Cefaclor	Used to treat in wide variety of bacterial infections such as middle ear, skin, urine and respiratory tract infections.

Our Competitive Strengths:

We are a leading Active pharmaceutical ingredients manufacturer in India producing the best and reliable products. We are among the very few research-driven API manufacturing companies in India who provide best in class and customized solutions at commercial scale. We believe in adding value through API in pharma industry by providing innovative solutions at scale with strict quality control.

We serve national as well as international markets by providing bulk drugs/active pharmaceutical ingredients and advanced intermediates. We are always the first choice for bulk drugs because we provide customized solutions using the latest technology at a competitive price. Through API in pharma industry, we strive to deliver value for our partners with a world-class manufacturing unit, strict quality control testing and a team of robust professionals and workers.

Experienced Promoter and Management team:

Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the pharmaceutical business will enable us to continue to take advantage of both current and future market opportunities.

Quality assurance:

We believe that quality is an ongoing process of building and sustaining relationships, strength lies in understanding the requirements of the customer and our execution capabilities. This has enabled us to get repeated orders from our existing customers and attract new customers. Our Quality Assurance Dept. has an excellent team of professionals which ensures that our GMP standards are met and products comply with international quality standards.

Our Strategies

1. Leveraging our Marketing skills and Relationships:

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customer's base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

2. Focus on dealing in quality standard products:

Quality of the product is very important for the company from both customer point of view and growth point of view. Our Company is focused on dealing in the products which meets with the requisite quality standards as per the applicable regulatory norms. Providing the desired and good quality products help us in enhancing our Company's image and maintaining long term relationships with customers.

3. To build-up a professional organization:

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We wish to make it sounder and stronger in times to come.

SALES AND MARKETING

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our sales channels that are associated with our Company. Our sales and marketing team is dedicated to pursue and enhance our business interest in finished dosage forms. Our team through their experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating new sales orders and expanding the current volume of our business year on year. In order to maintain good relation with customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

MARKETING STRATEGY

We intend to focus on following marketing strategies:

1. Focus on entering into new international markets
2. To expand our existing distribution base
3. Continuously holding market trends
4. Supply of Quality Products
5. Fulfillment of Order in a timely manner
6. Adapting to market dynamics

Competition

Our R&D Centre has the latest equipment's and a complete pilot scale manufacturing suite. Our main objective is to emerge as a prominent player in pharmaceutical industry with the invention of new processes / molecules. A broad portfolio of DMFs through non-infringing processes and intellectual properties are under progress which will propel us in becoming a significant player in the regulated market.

Though, Pharmaceutical being a global industry, we face competition from various domestic and international manufacturers Competition emerges from small as well as big players in the pharmaceutical industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value-added services. We have a number of competitors offering products similar us. We believe the principal elements of competition in pharmaceutical business are consistent and quality products, their prompt availability and strong relations with formulators and pharmaceutical manufacturers. We compete against our competitors by establishing ourselves as a knowledge-based pharmaceutical company and we focus on providing products that would be inconsonance with technical and quality requirements of our customer as well as we try to offer a competitive pricing model without compromise on the quality.

Approach to marketing and marketing set-up

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market. We take continuous efforts by way of market survey & conducting various events to target the market.

Revenue Break-up

Our revenue break-up on restated consolidated basis for the financial years ending March 31, 2023, 2022 and 2021 is as follows:

(₹ in lacs)

Sr. No.	Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
1	Domestic	12427.02	6002.06	6789.22
2	Exports	610.66	561.23	652.56
	Total	13037.68	6563.29	7441.78

OUR MAJOR CUSTOMERS

The following is the revenue breakup of the top five and top ten customers of our Company for the Fiscal 2023 is as follows:

(₹ in lacs)

Particulars	Amount	Percentage
Centrient Pharmaceuticals India Pvt Ltd	702.9	5.38%
Essential Drugs Company Limited	151.7	1.16%
Flamingo Pharmaceuticals Limited	389.0	2.98%
Indosol Exports	135.3	1.04%
Infinity Laboratories Private Limited	400.9	3.07%
J B Khokhani and Co	367.4	2.81%
Manage Chemical Private Limited	429.0	3.28%
Pharmacare International	8071.3	61.79%
Scott-Edil Advance Research Lab. & Edu. Ltd	1345.7	10.30%
Sunlovis Pharmaceuticals LLP	120.4	0.92%
Total	12113.6	92.74%

Capacity Installed and Capacity Utilization

Set forth below is the detail of the installed and utilized capacity for the last three financial years.

Financial Year	Installed Capacity TPA	Percentage of utilization (%)
2020-2021	600	83.34
2021-2022	600	79.02
2022-2023	720	77.03

INSURANCE

We generally maintain insurance covering our machinery and assets at such levels that we believe to be appropriate. We have obtained certain policies such as standard fire and special perils policy, group personal accident insurance policy, Director and Officers liability insurance, etc. The standard fire and special perils policy insures *inter alia* electrical installations, office equipment, computers and accessories, lab equipment, building, plant and machinery, interior decorations, consumables etc. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. As on May 31, 2023, we have 85 employees including our Executive Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

COMPETITION

We face competition from organized as well as unorganized players in the domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. We believe the principal elements of competition are price and reliability. We compete against our competitors by establishing ourselves as a knowledge-based company with industry expertise in providing services.

HEALTH AND SAFETY

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, health and safety policy ensuring the safety of our employees and the people working

under our management. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices, accident reporting, wearing safety equipment and maintaining clean and orderly work locations.

Our Immovable Properties

The following are the details of owned and lease hold properties:

a) Owned property:

Sr. No.	Particulars of the Property	Usage
1	Syschem India Limited, Village Bargodam, Tehsil Kalka, Dist Panchkula, Haryana, Land area, 30 Bigha and 9 Biswa	Manufacturing

b) Leasehold property:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent (Excluding GST)	Tenure/Term	Usage
1	Syschem India Limited Vs Balbir Singh agreement executed on 25-10-2018 Period 4.10-18 to 3.10-2023	Sh Balbir Singh s/ Sh Anchuru Ram, owner of property 4 biswa of the property bearing no. Kh-167/1, tadadi 5-10, Village Bargodam, Kalka, Haryana	Rs. 50,000/- p.a	Five years ended on 3 rd October, 2023.	One of the Factory Entry Road
2	Syschem India Limited Vs Anil Jain & Meena Jain Agreement executed on 1 Oct 2021	Sh Anil Jain Meena Jain owner of the property no. 825, FF, NAC, Manimajra, Chandigarh, 160101 Area-2300 sq Feet	13,35,600/- p.a	Expiry on 30 Sept 2026	Corporate Office
3	Syschem India Limited Vs Prem Singla	Smt Prem Singla owner of the property no. 687, 2 nd Floor, Amravati Enclave, Dist Panchkula, Haryana.	2,24,400/- p.a	09-10-2021 to 08-09-2023	Company Guest House

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Letter of Offer, we have seven (05) Directors on our Board, which includes, one (01) Managing Director, and two (02) are Non-Executive Directors and four (02) are Independent Directors, one of whom is also the woman director of our Company.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Ranjan Jain DIN: 00635274 Date of Birth: November 09, 1966 Designation: Managing Director Address: No. 1691, Sector 33-D, Chandigarh - 160 020 Occupation: Business Term: Liable to Retire by Rotation Nationality: Indian	56	NIL
Arshdeep Kaur DIN: 08056826 Date of Birth: July 30, 1990 Designation: Independent Director Address: Flat No.767, Phase VI, Mohali, 160055 Occupation: Professional Term: For a period of Five (05) years commencing from November 02,2022till November 01,2027 Nationality: Indian	32	Indo Farm Equipment Limited
Suninder Veer Singh DIN: 07693557 Date of Birth: March 26, 1974 Designation: Whole Time Director Address: 237, Anant Nagar A Tripuri Town, Patiala-147001	49	Nil

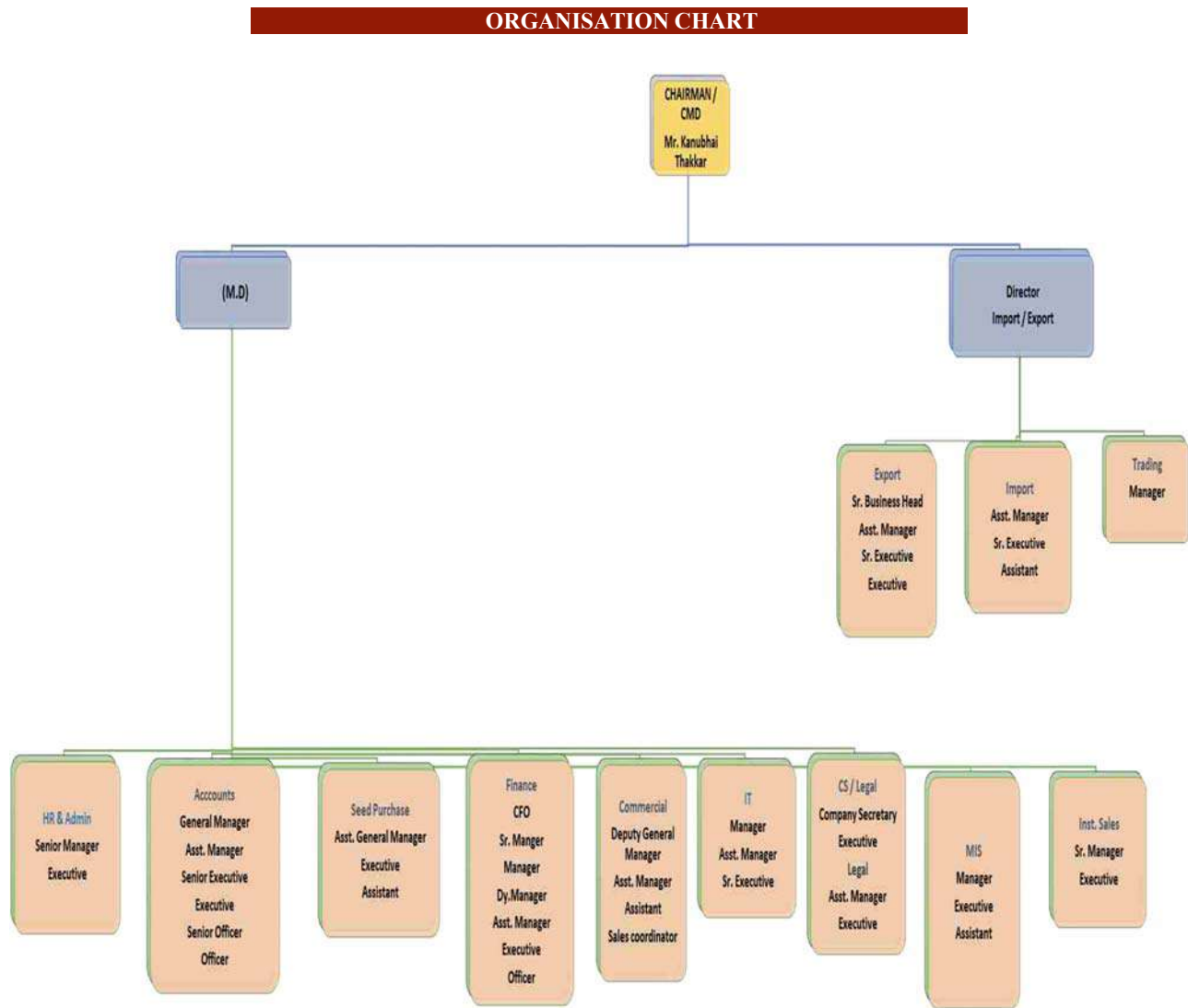
Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Occupation: Business Term: Liable to retire by rotation Nationality: Indian		
Renu Rawat DIN: 08161739 Date of Birth: May 09, 1971 Designation: Independent Director Address: #72, Bank Colony Sector 13, Manimajra, Chandigarh-160101 Occupation: Employment (Professional) Term: For a period of Five (05) years commencing from November 02,2022till November 01,2027 Nationality: Indian	52	JCBL Limited Orient Craft Infrastructure Limited.
Neena Batra DIN: 07846399 Date of Birth: November 23, 1934 Designation: Non-Executive, Non-Independent Director Address: Manimajra, Chandigarh-160101 Occupation: Employment Term: Liable to retire by Rotation Nationality: Indian	87	Nil

Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

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

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee; and
- d) Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

a. Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on January 20, 2023 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1	Ms. Arshdeep Kaur	Chairman, Independent Director
2	Ms. Renu Rawat	Member, Independent Director
3	Ms. Neena Batra	Member, Non-Independent Director

The Company Secretary acts as the secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Audit Committee of our Company include:

Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

1. To investigate an activity within its terms of reference;
2. To get information from any employee;
3. To get legal or other professional advice from outside;
4. To get attendance of outsiders having relevant expertise, if required

The Role, Responsibility and Function of the Audit Committee

1. Recommending concerning appointment, remuneration and terms of appointment of auditors of the company.
2. Reviewing as well as monitoring auditor's independence and performance, and effectiveness of audit process;
3. Examining financial statements as well as the auditors' report;
4. Approving any subsequent modification of transactions of the company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;

7. Evaluating internal financial controls and risk management systems as well as monitoring the end use of funds raised through public offers and related matters.
8. Looking after the listed entity's financial reporting process and adequate disclosure of its financial information for ensuring that financial statements are correct, sufficient and credible;
9. Recommending appointment, remuneration and terms of appointment of auditors of the listed entity;
10. Approving payment to statutory auditors for any other services as provided by the statutory auditors;
11. Reviewing the said annual financial statements and auditor's report along with the management before submitting the same for board's approval, with specifications like:
 - a) matters required to be included in the director's responsibility statement and Board's Report u/s 134(3)(c) of the Companies Act, 2013;
 - b) changes in accounting policies and practices, if any, along with reasons;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Substantial modifications made in the financial statements because of audit findings;
 - e) Compliance with all the necessary listing and legal requirements pertaining to financial statements;
 - f) Disclosing related party transactions, if any;
 - g) Modified opinion(s) in the draft audit report;
12. Reviewing the said quarterly financial statements with the concerned management before submitting the same to board.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

b. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on January 20, 2023. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1	Ms. Arshdeep Kaur	Chairman, Independent Director
2	Mr. Ranjan Jain	Member, Non-Independent Director
3	Mr. Suninder Veer Singh	Member, Non-Independent Director

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

Function of Stakeholders Committee:

The main function of the committee is to consider and resolve the grievances of security holders of the company.

- On similar terms revised clause 49 of the listing agreement provides that a committee under the Chairmanship of a non-executive director and such other members as may be decided by the Board of the company shall be formed to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders. The grievances of the security holders of the company may include complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, which shall be handled by this committee.
- The current requirement under the Listing Agreement clause 49 is for the constitution of a board committee i.e., 'Shareholders/Investors Grievance Committee' under the chairmanship of a non-executive director to specifically look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The main function of this committee is to expedite the process of share transfers.

c. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on January 20, 2023 with the following members:

Sr. No.	Name of Member	Designation
1.	Ms. Renu Rawat	Chairman, Independent Director
2.	Ms. Arshdeep Kaur	Member, Independent Director
3.	Ms. Neena Batra	Member, Non-Independent Director

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

Role and responsibility of NRC:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. To identify suitable candidates, the Committee may:
3. Use the services of external agencies, if required;
4. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
5. Consider the time commitments of the candidates.
6. Formulation of criteria for evaluation of the performance of independent directors and the board of directors;
7. Devising a policy on diversity of the Board;
8. Identifying persons who are qualified to become directors and who may be appointed in senior management following the criteria laid down, and recommend to the board of directors their appointment and removal;
9. Whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors; and
10. Recommend to the board, all remuneration, in whatever form, be payable to senior management.

Nomination and remuneration Committee:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Such policy shall be placed on the website of the company if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

Functions

- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal. Further it has been attached with a wider responsibility of carrying out evaluation of every director's performance.
- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

While formulating the policy, the Committee shall consider the following:

(a) the level and composition of remuneration is reasonable.;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

d. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted on May 15, 2023 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Ms. Arshdeep Kaur	Chairman, Independent Director
2.	Ms. Neena Batra	Member, Non-Executive Director
3.	Ms. Renu Rawat	Member, Independent Director

The Company Secretary acts as the secretary of the Corporate Social Responsibility Committee.

Functions of CSR Committee:

Formulation and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the projects/activities to be undertaken by the Company in areas or subjects, as specified in Schedule VII.

- Reviewing with the CSR management, the quarterly financial statements before submission to the Board for approval.
- Recommend the amount of expenditure to be incurred on CSR projects/activities undertaken.
- To constitute a Management Committee for the implementation and execution of CSR initiatives/activities.
- institute a transparent monitoring mechanism for the implementation of CSR projects/activities undertaken by the company.
- Reviewing the performance of the Company in the areas of CSR.
- Submit an annual report of CSR projects/activities to the board.
- Monitoring CSR Policy from time to time.

Role of CSR

The role of the Board in Corporate Social Responsibility is:

- Approve the CSR Policy of the company after considering the recommendations given by the committee;
- To disclose the contents of such a policy in its report and to place it on the company's website, if prescribed;
- To ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy;
- The Board shall specify in its report the reasons for not spending the amount if the company fails to spend such amount.

Our Key Managerial Personnel

We are providing below herewith the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

Sr. No.	Name of Key Managerial Personnel and Senior Management Personnel	Associated with the Company Since	Current Designation
1	Mr. Ranjan Jain	13 th January, 2015	Managing Director
2	Mr. Suninder Veer Singh	30 th December, 2016	Whole Time Director
3	Mr. Sanjeev Agrawal	29 th June, 2021	Chief Financial Officer
4	Ms. Shikha Kataria	17 th November, 2020	Company Secretary

All our Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Key Managerial Personnel

None of the key managerial personnel are related to each other.

OUR PROMOTERS

Our Promoters are Mr. Ranjan Jain, Mr. Virendra Popatlal Shah and Mr. Mahesh J Khokhani and promoter group includes Bhavesh Virendra Shah, Bimal Virendra Shah, Gurcharan Kaur, Mehul Jagdish Khokhani, Dinesh Jagdish Khokhani, Ruchika Jain, and Suninder Veer Singh as on date of this Draft Letter of Offer, the shareholding of our Promoters has been provided below:

S. No.	Name of the Promoter and promoter group	Number of Equity Shares	Percentage of Equity Shares held (%)
1.	Bhavesh Virendra Shah	14,37,500	4.51
2.	Bimal Virendra Shah	14,37,500	4.51
3.	Dinesh Jagdish Khokhani	17,50,000	5.49
4.	Gurcharan Kaur	7133	0.02
5.	Mahesh J Khokhani	21,25,027	6.66
6.	Mehul Jagdish Khokhani	15,55,700	4.88
7.	Ranjan Jain	34,80,386	10.91
8.	Ruchika Jain	18,51,954	5.81
9.	Suninder Veer Singh	9,59,180	3.01
10.	Virendra Popatlal Shah	25,57,550	8.02
Total		1,71,61,930	53.82

Note: Mr. Virendra Popatlal Shah, Mr. Bhavesh Virendra Shah, Mr. Bimal Virendra Shah, Mr. Mahesh Jagdish Khokhani, Mr. Dinesh Jagdish Khokhani and Mr. Mehul Jagdish Khokhani were become part of Promoter and Promoter Group through Open Offer made to the shareholders of Syschem India Limited vide public announcement dated 19th May, 2022 in compliance with Regulation 3 and 4 of SEBI (SAST) Regulations, 2011.

Confirmations

1. None of our Promoter or members of our Promoter Group have been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them except delay compliance with filing of disclosures under Regulation 30 and 29 of SEBI (SAST) Regulations, 2011 and the penalty of Rs 10,00,000 (Rupees Ten Lakhs Only) in aggregate were imposed against them vide SEBI Adjudication Order reference no. Order/GR/RK/2022-23/22312-22321 dated 21st December, 2022.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018 nor declared as Fugitive Economic Offender as defined under SEBI ICDR Regulations.
3. None of our Promoter or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Except as disclosed in the Chapter titled “Outstanding Litigation and Material Developments”, there are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see section titled “Financial Information” at page 91 of this Draft Letter of Offer.

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021:

(₹in lakhs)				
Description	Name of the Related Party	2022-23	2021-22	2020-21
Key managerial Personnel (a) Remuneration	Ranjan Jain	21.00	21.00	Nil
Remuneration	Ruchika Jain	18.00	18.00	Nil
Remuneration	Suninder Veer Singh	24.00	24.00	Nil
	Gurcharan Kaur	24.00	24.00	Nil
Remuneration	Sanjeev Agrawal	15.00	12.00	Nil
Remuneration	Naresh Batra	Nil	9.26	Nil
Remuneration	Amarjeet Kaur	Nil	Nil	Nil
Remuneration	Shikha Kataria	5.40	4.86	Nil
Remuneration	Deeepanshu Batra	Nil	Nil	Nil
Sale and Purchase of goods and Services	Pharma Care International (Sales)	8673.6	Nil	Nil
	Pharma Care International (Purchase)	6683.82	Nil	Nil
	Rajesh Modi & Co	Nil	5.66	Nil
	Inpetus Healthcare	Nil	64.32	Nil
Unsecured Loan taken from	Ruchika Jain (Promoter)	7.00	Nil	Nil
	Ranjan Jain	-31.23	-108.85	-107.90
	Security Deposit with Pharma Care International	24.859	Nil	Nil
	Rajesh Gupta (Loan)	Nil	29.91	40.41

(₹in lakhs)

Closing Balance at the Year End				
Description	Name of the Related Party	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Remuneration	Ranjan Jain	2.68	5.32	6.94
	Ruchika Jain	1.16	6.23	3.46
Remuneration	Suninder Veer Singh	1.64	1.64	3.69
	Gurcharan Kaur	1.64	1.64	1.58
Remuneration	Sanjeev Agrawal	0.81	2.87	Nil
Remuneration	Naresh Batra	Nil	0.08	3.28

Remuneration	Shikha Kataria	0.40	0.40	0.35
Sale and Purchase of Goods and Service	Pharma Care International (Sales)	3937.74	Nil	Nil
Sale and Purchase of Goods and Service	Pharma Care International (Purchase)	2813.12	Nil	Nil
Sale and Purchase of Goods and Service	Rajesh Modi & Co	Nil	0	0.72
Loan	Rajesh Gupta (Loan)	29.91	29.91	40.41
Loan	Ruchika Jain (Promoter)	7.00	Nil	Nil
Loan	Ranjan Jain	13.60	44.83	153.68
Security Deposit for Job Work	Security Deposit with Pharma Care International	2582.86	Nil	Nil

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Dividends paid on Equity Shares:

Our Company has not declared dividends on the Equity Shares in each of the Financial Years ending 2023, 2022 and 2021. The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Restated Financial Statements as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.	92
2.	Statement of Capitalization	120

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S T A V & CO

CHARTERED ACCOUNTANTS

HOUSE NO. 3130-P, SECTOR 22-D, CHANDIGARH - 160022
(M) 98880 - 55545, email: cavarinder.chauhan@gmail.com

INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF RESTATED FINANCIAL INFORMATION

To,
The Board of Directors
SYSCHEM (INDIA) LIMITED
Village Bargodam, Tehsil Kalka,
Distt. Panchkula - 133 302 [Haryana]

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Syschem (India) Limited** (hereinafter referred to as "the Company") as approved by the Board of Directors of the Company in their meeting on 04/07/2023 prepared by the management of the company in terms of requirement of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rule 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the 'SEBI Regulations'), the Guidance Note on 'Reports in Company's Prospectus (Revised)' issued by the Institute of Chartered Accountants of India ('ICAI') to the extent applicable ('Guidance Note'), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 01/07/2023 in connection with proposed rights issue of equity shares of the Company.
2. These Restated Financial Information have been extracted by the Management of the Company from:
 - (a) The Company's Audited Financial Statements for the year ended March 31, 2022, 2021 which have been adopted by the shareholder's at their meeting held on September 16, 2022, August 28, 2021 respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company's Management. **The Financial Statements of the Company for the year ended March 31, 2022, 2021 have been audited by M/s S T A V & CO. and had issued unqualified reports for these years.**
 - (b) The Company's Financial Statements for the year ended 31st March, 2023, which have been approved by the Board of Director at their meeting held on 15/05/2023 and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company's Management. **The Financial Statement of the Company for the year ended 31st March, 2023 by M/s S T A V & CO. and had issued unqualified reports.**



3. In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
- (i) The Restated Statement of Assets and Liabilities as at March 31, 2023, 2022, 2021 examined by us, as set out under Annexures to this report, read with the 'Significant Accounting Policies and notes on Restated Financial Statements' appearing in Annexures are after making such adjustments and regrouping/reclassification as in our opinion were appropriate. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
 - (ii) The Restated Statement of Profit and Loss of the Company for the period ended March 31, 2023, 2022, 2021, examined by us, as set out in Annexures to this report, read with the 'Significant Accounting Policies and notes on Restated Financial Statements' appearing in Annexures are after making such adjustments and regrouping/re-classification as in our opinion were appropriate. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
 - (iii) The Restated Statement of Cash flows of the Company for the period ended March 31, 2023, 2022, 2021, examined by us, as set out in Annexures (to this report, read with the 'Significant Accounting Policies and notes on Restated Financial Statements' appearing in Annexures are after making such adjustments and regrouping/re-classification as in our opinion were appropriate. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
4. Based on the above, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Information:
- (a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods.
 - (b) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and;
 - (c) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Information and do not contain any qualification requiring adjustments.
5. We have also examined the Restated Financial Information as set out in the Annexures to this report and forming part of the Restated Financial Information, prepared by the management of the Company and approved by the Board of Directors on 04th July, 2023 relating to the company for the period ended March 31, 2023, 2022, 2021:
6. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the financial statements referred to herein.



7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. In our opinion, the above Restated Financial Information contained in Annexures to this report read along with Significant Accounting Policies and notes on Restated Financial Statements and Notes to Restated Financial Information after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
9. Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed rights issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For S T A V & CO.
Chartered Accountants
(Firm Registration No. 024510C)

Varinder Singh

(CA VARINDER SINGH)
PARTNER
M. No. 542573

DATED : 08/07/2023
PLACE : CHANDIGARH

UDIN: 23542573BGTXOU7337

SYSCHEM (INDIA) LIMITED

COMPANY'S OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FOR THE YEAR ENDED 31ST MARCH , 2023, 31ST MARCH, 2022 and 31ST MARCH, 2021

1. Company's Overview

Syschem India Limited (the 'Company') was incorporated on 31.12.1993 and is engaged in production of Active Pharmaceuticals Ingredients (APIs) and bulk drugs. The Shares of the Company are listed on BSE Limited.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act , 2013 (' Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective from 01st April, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 *First time adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.



All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 Property, Plant & Equipments and Intangible Assets

Property, Plant & Equipments are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Depreciation is provided on the Straight Line Method over the useful life of the assets as prescribed under Schedule II Part C of the Companies Act, 2013. Depreciation on assets sold during the year is provided upto the date of sale of fixed assets.

Intangible Assets

Cost of development in case of self generated asset is recognized on the basis of actual cost incurred and directly attributable expenses incurred thereon.



2.3 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

2.4 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

2.5 Revenue Recognition

As per the requirements of the Companies (Amendment) Act, 1988, all expenses and income are generally accounted for on accrual basis.



2.6 Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing. Deferred tax is recognized for all timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets in respect of timing differences on account of unabsorbed business loss and unabsorbed depreciation as per Income tax laws, are recognized and carried forward only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets in respect of timing differences, other than unabsorbed business loss and unabsorbed depreciation as per Income tax laws, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.



2.7 Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

2.8 Inventories

The stocks of raw materials and stores & spares are valued at cost price. Finished Goods have been valued at cost or net realizable value whichever is lower. Cost includes purchase price, freight inward, clearing charges, custom duty and other related expenses. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Work in progress is valued at estimated cost. Goods in transit are carried at cost.

2.9 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period. Earning considered in ascertaining the Company's earnings per share is the net profit for the period after deducting taxes thereto for the period. The weighted average number of Equity Shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential Equity Shares that have changed the number of Equity Shares outstanding, without a corresponding change in resources. 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 is adjusted for the effects of all dilutive potential equity shares.

2.10 Employee Benefits

The contribution to provident fund, under the defined contribution plans is charged to revenue. The Company has also provided towards the Gratuity benefits, of the eligible employees. No provision is made towards bonus during the year. The provisions for the above benefit relating to the current year are charged to the revenue.

2.11 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency, and the foreign currency at average rate at each month.

Conversion –

Foreign currency monetary items are reported using the closing rate. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Differences –

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognized as income or as expense in the year in which they arise.

2.12 Cash and Cash equivalents

Cash and cash equivalents at the end of the year represent cash and deposit with banks. The cash flow statement is made using the indirect method.



SYSCHEM (INDIA) LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

Rupees in Lakh

Particulars	Note	31st March, 2023	31st March, 2022	31st March, 2021
I ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	3065.44	3148.40	2957.15
(b) Capital Work-in-Progress	-	14.54	0.00	97.86
(c) Investment Property	-	0.00	0.00	0.00
(d) Intangible Assets	2	0.00	8.03	14.03
(e) Intangible Assets Under Development	-	0.00	0.00	0.00
(f) Deferred Tax Assets (Net)	3	229.78	393.54	345.94
(g) Other Non-Current Assets	4	105.00	78.30	87.41
Total Non-Current Assets		3414.76	3626.27	3503.39
Current Assets				
(a) Inventories	5	1551.71	1913.62	3325.90
(b) Financial Assets				
(i) Investments	-	0.00	0.00	0.00
(ii) Trade Receivables	6	4194.05	332.31	573.58
(iii) Cash and Cash Equivalents	7	57.09	2.74	2.41
(iv) Other Bank Balances	8	8.71	34.74	140.00
(v) Other Financial Assets	-	0.00	0.00	0.00
(c) Other Current Assets	9	45.03	71.10	171.66
Total Current Assets		5856.59	2354.51	4213.55
TOTAL ASSETS		9271.35	5980.78	7716.94
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10	3189.04	2329.04	2154.04
(b) Other Equity (Refer SOCE)	-	-958.57	-1634.88	-1441.66
Total Equity		2230.47	694.16	712.38
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	160.51	174.60	1,256.28
(iia) Lease Liabilities	-	0.00	0.00	0.00
(ii) Trade Payable	-	0.00	0.00	0.00
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		0.00	0.00	0.00
- Total Outstanding Dues of creditors other than micro and small enterprises		0.00	0.00	0.00
(iii) Other Financial Liabilities	-	0.00	0.00	0.00
(b) Long Term Provisions	-	0.00	0.00	0.00
(c) Deferred Tax Liabilities (Net)	-	0.00	0.00	0.00
(d) Other Non-Current Liabilities	12	2582.86	2558.00	1659.21
Total Non-Current Liabilities		2743.37	2732.60	2915.49
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	0.00	-	265.24
(iia) Lease Liabilities	-	0.00	0.00	0.00
(ii) Trade Payables	14	51.75	65.75	52.10
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		3993.77	2286.75	3631.48
- Total Outstanding Dues of creditors other than micro and small enterprises		0.00	0.00	0.00
(iii) Other Financial Liabilities	-	0.00	0.00	0.00
(b) Short Term Provisions	15	28.89	24.02	13.82
(c) Other Current Liabilities	16	223.10	177.50	126.42
Total Current Liabilities		4297.51	2554.02	4089.07
TOTAL EQUITY AND LIABILITIES		9271.35	5980.78	7716.94

Significant Accounting Policies & Notes on Accounts
Notes on Restated Financial Statements

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SYSCEM (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS AS RESTATED

				Rupees in Lakh
Particulars	Note	31st March, 2023	31st March, 2022	31st March, 2021
Revenue from operations (Gross)	17	13037.68	6563.29	7441.48
Other Income	18	24.83	12.63	25.56
Total Income		13062.51	6575.92	7467.04
EXPENSES				
Cost of Raw Materials Consumed	19	9245.97	4696.73	5541.80
Changes in Inventories of Finished Goods and Work-in-Progress	20	112.24	(88.15)	543.89
Goods & Services Tax		1682.05	663.22	592.21
Employee Benefits Expense	21	439.72	453.83	409.73
Finance Cost	22	4.21	28.42	5.54
Depreciation and Amortisation Expense	1 & 3	270.26	258.06	235.49
Other Expenses	23	692.99	781.14	869.87
Total Expenses		12447.44	6793.24	8198.53
Profit Before Exceptional Items and Tax		615.07	(217.32)	(731.49)
Exceptional Items		0.00	0.00	0.00
Profit Before tax		615.07	(217.32)	(731.49)
Tax Expense				
(1) Current tax	-	28.60	0.00	0.00
(2) Deferred tax	-	163.76	(46.60)	(174.90)
(3) Mat Credit Entitlement	-	(29.60)	0.00	0.00
Total Tax expense		163.76	(46.60)	(174.90)
Profit After tax		451.31	(170.72)	(556.59)
Other Comprehensive Income		0.00	0.00	0.00
A (i) Items that will not be reclassified to profit and loss		0.00	0.00	0.00
(ii) Income tax related to above		0.00	0.00	0.00
B (i) Items that may be reclassified to profit and loss		0.00	0.00	0.00
(ii) Income tax related to above		0.00	0.00	0.00
Total Comprehensive Income for the period		451.31	-170.72	-556.59
Earning per Equity Share :	24			
(1) Basic Earning Per Share (Rs.)		1.53	-0.76	-2.70
(2) Diluted Earning Per Share (Rs.)		1.42	-0.76	-2.70
Significant Accounting Policies & Notes on Accounts				
Notes on Restated Financial Statements				
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SYSCHEM (INDIA) LIMITED
STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENTS

Rupees in Lakh			
Particulars	31st March, 2023	31st March, 2022	31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax for the year	616.07	(217.32)	(731.49)
Adjustments for:			
Depreciation and amortisation	270.28	258.06	235.49
Adjustment in Reserve & Surplus	11.99	0.00	0.00
Employee Stock Compensation	0.00	* 0.00	0.00
Loss on sale of FA	0.00	0.00	27.92
Interest (Received) / Paid (Net)	(0.62)	20.98	2.78
Actuarial Gain/(Loss) on re-measurement of Defined Benefit Liability	0.00	0.00	0.00
Operating Profit Before Working Capital Changes	886.70	61.72	(465.32)
Movements in working capital:			
(Increase)/decrease in trade and other receivables (Non-Current/Current)	(3698.61)	304.34	175.15
(Increase)/decrease in inventories	361.92	1412.27	(1273.31)
(Decrease)/increase in trade and other payables (Non-Current/Current)	1764.26	(1717.94)	1760.40
Cash generated from operations	(686.73)	60.39	196.91
Income taxes paid (Net of refund)	(163.78)	48.60	174.90
Cash Flow Before Extraordinary Items	(849.49)	106.99	371.81
Extraordinary Items	-	-	-
Net cash generated from operating activities	(849.49)	106.99	371.81
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Bank Deposit (Placed) / Matured (Net)	26.02	105.26	(137.15)
Interest received	4.83	7.45	2.78
Purchase of Property, Plant and Equipment & Intangible*	(181.27)	(441.31)	(493.68)
Proceeds from share capital	1073.01	152.50	267.80
Proceeds from disposal of Property, Plant and Equipment	(14.64)	97.86	-17.18
Net cash (used in) / generated from investing activities	906.06	(78.24)	(377.43)
(*excludes Capital Advances)			
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the Company (including DDT)	0.00	0.00	0.00
Interest and Finance Charges paid	(4.21)	(28.42)	(5.54)
Net cash used in financing activities	(4.21)	(28.42)	(5.54)
Net increase / (Decrease) in Cash and Cash Equivalents	54.36	0.33	(11.14)
Cash and Cash Equivalents at the beginning of the year	2.74	2.41	13.55
Cash and cash equivalents at the end of the year	57.09	2.74	2.41

Note: Previous year figures have been regrouped wherever found necessary.



SYSCHEM (INDIA) LIMITED
STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE REPRTING YEAR

Particulars	Rupees in Lakh		
	31st March 23	As at 31st March 22	31st March 21
Outstanding at the beginning	2,329.04	2,154.04	1879.04
Changes in Equity Share Capital during the year	860.00	175.00	275.00
Outstanding at the end	3189.04	2329.04	2154.04

A. Changes in Other Equity

For the year ended 31st March, 2023

Particulars	Rupees in Lakh					
	Reserves and Surplus				Preference Share	Money received against shares warrants
	Retained Earnings	General Reserve	Capital Reserve	Securities Premium Reserve		Total
As at 1st April 2022	(1849.86)	0.00	6.28	119.21	0.00	89.49
Profit / (Loss) for the Year	451.31	0.00	0.00	0.00	0.00	451.31
Premium on Equity Shares issued during the year	302.50	0.00	0.00	0.00	0.00	302.50
Adjustment in Reserve and Surplus	11.99	0.00	0.00	0.00	0.00	11.99
Share Warrants issued during the year	0.00	0.00	0.00	0.00	0.00	(89.49)
As at 31st March 2023	(1084.06)	0.00	6.28	119.21	0.00	(958.57)

For the year ended 31st March 2022

Particulars	Rupees in Lakh					
	Reserves and Surplus				Preference Share	Money received against shares warrants
	Retained Earnings	General Reserve	Capital Reserve	Securities Premium Reserve		Total
As at 1st April 2021	(1679.14)	0.00	6.28	119.21	100.00	11.99
Transitional Changes due Ind-AS	0.00	0.00	0.00	0.00	0.00	0.00
Restated Balance as at 1st April 2021	(1679.14)	0.00	6.28	119.21	100.00	11.99
Profit / (Loss) for the Year	(170.72)	0.00	0.00	0.00	0.00	0.00
Premium on Equity Shares issued during the year	0.00	0.00	0.00	0.00	0.00	0.00
Share Warrants issued during the year	0.00	0.00	0.00	0.00	(100.00)	77.50
As at 31st March 2022	(1849.86)	0.00	6.28	119.21	0.00	89.49

For the year ended 31st March 2021

Particulars	Rupees in Lakh					
	Reserves and Surplus				Preference Share	Money received against shares warrants
	Retained Earnings	General Reserve	Capital Reserve	Securities Premium Reserve		Total
As at 1st April 2020	(1122.55)	0.00	6.28	119.21	100.00	19.19
Transitional Changes due Ind-AS	0.00	0.00	0.00	0.00	0.00	0.00
Restated Balance as at 1st April 2020	(1122.55)	0.00	6.28	119.21	100.00	19.19
Profit / (Loss) for the Year	(556.59)	0.00	0.00	0.00	0.00	0.00
Premium on Equity Shares issued during the year	0.00	0.00	0.00	0.00	0.00	0.00
Share Warrants issued during the year	0.00	0.00	0.00	0.00	0.00	(7.20)
As at 31st March 2021	(1679.14)	0.00	6.28	119.21	100.00	11.99

SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

1 Property, Plant and Equipment

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2023 :

										Rupees in Lakh
		Land	Buildings	Plant and Equipment	Office Equipments	Furniture & Fixture	Electrical Installation	Vehicles	Computer	Total
Description of Assets										
Gross Carrying Value as at 1st April 2022		19.07	624.28	4554.45	25.2300	7.85200	191.12200	32.56	18.97700	5473.54
Additions during the year*		0.00	49.64	107.34	0.00	0.21	0.00	22.80	1.29	181.27
Disposals / Adjustment during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Carrying Value as at 31st March 2023 (A)		19.07	673.92	4661.79	25.23	8.06	191.12	55.36	20.26	5654.82
Accumulated depreciation as at 1st April 2022		0.00	262.99	1868.08	23.70	6.34	126.62	30.94	16.47	2325.14
Depreciation expense for the year		0.00	19.79	223.06	0.09	0.76	17.24	0.18	3.11	264.23
Accumulated depreciation on disposal/adjustment during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation as at 31st March 2023 (B)		0.00	272.78	2091.13	23.79	7.10	143.87	31.12	19.58	2589.37
Carrying Value as at 31st March 2023 (A-B)		19.07	401.14	2570.66	1.44	0.96	47.25	24.24	0.68	3065.44

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2022 :

										Rupees in Lakh
Description of Assets		Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2021		19.07	616.20	4128.48	25.23	7.82	184.60	32.56	18.27	5032.23
Others - Classified as Investment Property		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Gross Carrying Value as at 1st April 2021		19.07	616.20	4128.48	25.23	7.82	184.60	32.56	18.27	5032.23
Additions during the year		0.00	8.08	425.97	0.00	0.03	6.52	0.00	0.71	441.31
Disposals / Adjustment during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Carrying Value as at 31st March 2022 (A)		19.07	624.28	4554.45	25.23	7.85	191.12	32.56	18.98	5473.54
Accumulated depreciation of 1st April 2021		0.00	233.28	1658.29	23.62	5.60	109.84	30.94	13.52	2075.08
Others- Classification of Investment Property		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Accumulated depreciation as at 1st April 2021		0.00	233.28	1658.29	23.62	5.60	109.84	30.94	13.52	2075.08
Depreciation expense for the year		0.00	19.71	209.79	0.09	0.75	16.78	0.00	2.95	250.05
Accumulated depreciation on Disposals / Adjustment during the year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation as at 31st March 2022 (B)		0.00	252.99	1868.08	23.70	6.34	126.62	30.94	16.47	2325.14
Carrying Value as at 31st March 2022 (A-B)		19.07	371.29	2686.39	1.53	1.51	64.50	1.62	2.50	3148.40
Carrying Value as at 1st April 2022		19.07	382.92	2470.20	1.61	2.22	74.76	1.62	4.75	2957.15

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2021 :

Rupees in Lakh									
Description of Assets	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2020	19.07	610.58	3719.73	25.23	5.42	176.59	32.56	14.20	4603.38
Others - Classified as Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Gross Carrying Value as at 1st April 2020	19.07	610.58	3719.73	25.23	5.42	176.59	32.56	14.20	4603.38
Additions during the year	0.00	5.62	473.58	0.00	2.40	8.01	0.00	4.07	493.68
Disposals / Adjustment during the year	0.00	0.00	64.83	0.00	0.00	0.00	0.00	0.00	64.83
Gross Carrying Value as at 31st March 2021 (A)	19.07	616.20	4128.48	25.23	7.82	184.60	32.56	18.27	5032.23
Accumulated depreciation of 1st April 2020	0.00	213.85	1491.70	23.53	4.99	93.66	30.94	11.45	1870.12
Others- Classification of Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Accumulated depreciation as at 1st April 2020	0.00	213.85	1491.70	23.53	4.99	93.66	30.94	11.45	1870.12
Depreciation expense for the year	0.00	19.43	189.12	0.09	0.61	16.18	0.00	2.07	227.49
Accumulated depreciation on Disposals / Adjustment during the year	0.00	0.00	22.53	0.00	0.00	0.00	0.00	0.00	22.53
Accumulated Depreciation as at 31st March 2021 (B)	0.00	233.28	1658.29	23.62	5.60	109.84	30.94	13.52	2075.08
Carrying Value as at 31st March 2021 (A-B)	19.07	382.92	2470.21	1.61	2.22	74.76	1.62	4.75	2957.15
Carrying Value as at 1st April 2021	19.07	396.73	2228.03	1.70	0.43	82.93	1.62	2.75	2733.26

SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

2 Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2023 :

Description of Assets	Rupees in Lakh Process know-how
Gross Carrying Value as at 1st April 2022	80.00
Additions during the year	-
Disposals/Adjustment during the year	-
Gross Carrying Value as at 31st March 2023 (A)	80.00
Accumulated depreciation as at 1st April 2022	73.97
Amortisation expense for the year	6.03
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March 2023 (B)	80.00
Carrying Value as at 31st March 2023 (A-B)	-

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2022 :

Description of Assets	Rupees in Lakh Process know-how
Gross Carrying Value as at 1st April 2021	80.00
Additions during the year	-
Disposals/Adjustment during the year	-
Gross Carrying Value as at 31st March 2022 (A)	80.00
Accumulated depreciation as at 1st April 2021	65.97
Amortisation expense for the year	8.00
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March 2022 (B)	73.97
Carrying Value as at 31st March 2022 (A-B)	6.03
Carrying Value as at 1st April 2022	14.03

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2021 :

Description of Assets	Rupees in Lakh Process know-how
Gross Carrying Value as at 1st April 2020	80.00
Additions during the year	-
Disposals/Adjustment during the year	-
Gross Carrying Value as at 31st March 2021 (A)	80.00
Accumulated depreciation as at 1st April 2020	57.97
Amortisation expense for the year	8.00
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March 2021 (B)	65.97
Carrying Value as at 31st March 2021 (A-B)	14.03
Carrying Value as at 1st April 2021	22.03



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

3 Current Tax and Deferred Tax

(a) Deferred Tax

Particulars	Rupees in Lakh		
	31st March, 2023	As at 31st March, 2022	31st March, 2021
Deferred Tax Assets			
- On Property, Plant & Equipment	229.78	393.54	346.94
Deferred Tax Assets			
- On Employee benefits	-	-	0.00
Deferred Tax Liabilities / (Assets)	229.78	393.54	346.94

(b) Income Tax recognised in Profit and Loss

Particulars	Rupees in Lakh		
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
Current Tax	29.60	0.00	0.00
Deferred Tax	163.76	(46.60)	(174.90)
Total income tax expense	193.36	(46.60)	(174.90)

4 Other Non-Current assets

Particulars	Rupees in Lakh		
	31st March, 2023	As at 31st March, 2022	31st March, 2021
Capital advances - Considered Good			
Secured	-	-	-
Unsecured	-	-	-
Security Deposits-Considered Good			
Unsecured	26.45	13.49	13.40
Other advances -Unsecured, Considered Good			
Income Tax (Net of Provisions)	-	-	-
Advances to Suppliers	-	-	-
Others	78.55	64.81	74.01
Total	105.00	78.30	87.41

5 Inventories

Particulars	Rupees in Lakh		
	31st March, 2023	As at 31st March, 2022	31st March, 2021
Raw Materials & Components	1548.23	1797.91	3280.67
Work-in-progress	0.00	0.00	0.00
Finished goods	3.48	115.71	27.56
Stores and Spares	0.00	0.00	17.67
Total	1551.71	1913.62441	3325.90



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

6 Trade Receivables

Rupees in Lakh

Particulars	As at		
	31st March, 2023	31st March, 2022	31st March, 2021
Unsecured, considered good	4194.05	332.31	573.58
Of the above, Trade Receivables from:			
- Related Parties	0.00	0.00	0.00
- Others	4194.05	332.31	573.58

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from date of transaction		
	Less than 6 months	6 months - 1 year	1 - 2 years
- Undisputed Trade receivables – considered good	4,139.72	-	54.33
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
Total	4,139.72	-	54.33

Particulars	Outstanding for following periods from date of transaction		
	2 - 3 years	More than 3 years	Total
- Undisputed Trade receivables – considered good	-	-	4,194.05
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
Total	-	-	4,194.05

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from date of transaction		
	Less than 6 months	6 months - 1 year	1 - 2 years
- Undisputed Trade receivables – considered good	332.28	-	0.03
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
Total	332.28	-	0.03

Particulars	Outstanding for following periods from date of transaction		
	2 - 3 years	More than 3 years	Total
- Undisputed Trade receivables – considered good	-	-	332.31
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
Total	-	-	332.31



SYSCHEM (INDIA) LIMITED

Notes to the Restated financial statements for the Reporting year

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from date of transaction		
	Less than 6 months	6 months - 1 year	1 - 2 years
- Undisputed Trade receivables – considered good	558.13	1.93	-
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
Total	558.13	1.93	-

Particulars	Outstanding for following periods from date of transaction		
	2 - 3 years	More than 3 years	Total
- Undisputed Trade receivables – considered good	2.75	10.77	573.58
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
Total	2.75	10.77	573.58

7 Cash and Bank Balance

Particulars	Rupees in Lakh		
	31st March, 2023	As at 31st March, 2022	31st March, 2021
Cash and Cash equivalents			
Balances with banks	52.26	0.65	0.84
Cash in hand	4.83	2.09	1.57
Total	57.09	2.74	2.41

8 Other Bank Balances

Particulars	Rupees in Lakh		
	31st March, 2023	As at 31st March, 2022	31st March, 2021
Balances with Bank held as Margin Money & Deposit against Guarantees.	0.00	0.00	0.00
Fixed Deposits with Original maturity greater than 3 months but upto 12 months	8.71	34.74	0.00
Earmarked balances with banks	0.00	0.00	140.00
Total	8.71	34.74	140.00

9 Other Current Assets

Particulars	Rupees in Lakh		
	31st March, 2023	As at 31st March, 2022	31st March, 2021
Unsecured, considered good			
Balance with Excise Authorities	0.00	0.00	0.00
Prepaid Expenses	14.82	6.35	1.26
Other Advances recoverable in cash or kind			
- Goods and Service Tax	0.00	0.00	64.31
- Advance to Suppliers	5.13	0.00	0.00
- Others	25.08	64.75	106.09
Total	45.03	71.10	171.66



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

11 Borrowings

Particulars	Rupees in Lakh		
	As at		
	31st March, 2023	31st March, 2022	31st March, 2021
1) Secured Loans :			
a) Term Loans			
- from Banks	0.00	0.00	774.66
- from Others	0.00	0.00	0.00
b) Letter of Credit			
- from Banks	0.00	0.00	177.53
Total (1)	0.00	0.00	952.19
2) Unsecured Loans :			
a) Loans and advances from related parties #	160.51	174.60	304.09
Total (2)	160.51	174.60	304.09
Total Borrowings (1+2)	160.51	174.60	1,256.28

includes loans from Directors and Corporates

12 Other Non-Current Liabilities

Particulars	Rupees in Lakh		
	As at		
	31st March, 2023	31st March, 2022	31st March, 2021
a) Advances	0.00	0.00	0.00
b) Others	2582.86	2558.00	1659.21
Total	2582.86	2558.00	1659.21



SYSCEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

10 Equity Share Capital

Particulars	Rupees in Lakh		
	As at		
	31st March, 2023	31st March, 2022	31st March, 2021
Authorised:			
Equity Shares, Rs. 10/- par value	2500.00	2500.00	2500.00
2,50,00,000 (Previous Year : 2,50,00,000) Equity Shares			
Issued, Subscribed and Paid-Up:	3189.04	2329.04	2154.04
Equity Shares, Rs. 10/- par value			
3,18,90,400 (Previous Year : 2,32,90,400) Equity Shares fully paid-up			
	3189.04	2329.04	2154.04

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs. 10/- Each. Equity Shareholder is entitled to one vote per share.

Proposed Dividend

The Board of Directors, in their meeting held on 15 May, 2022, has not declared any dividend for the Current Financial Year 2022-23

(i) Equity Shareholders holding more than 5% shares:

Name of shareholder	31st March, 2023		31st March, 2022		31st March, 2021	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Mr. Dinesh Jaddish Kokhani	1,750,000	5.49%	-	-	-	-
Mr. Mahesh Jaddish Kokhani	2,125,027	6.66%	-	-	-	-
Mr. Ranjan Jain	3,480,386	10.91%	-	-	-	-
Mr. Virendra Popatlal Shah	2,567,560	8.02%	1,307,500	5.61%	1307500	6.07%
Mrs. Ruchika Jain	1,851,954	5.81%	1,851,954	7.95%	101954	0.47%

(ii) Reconciliation of the number of Shares outstanding and the amount of Share Capital :

Description	31st March, 2023		31st March, 2022		31st March, 2021	
	No. of Shares	Share Capital (Rs. in lakh)	No. of Shares	Share Capital (Rs. in lakh)	No. of Shares	Share Capital (Rs. in lakh)
Number of Equity Shares at the beginning	23,290,400	2329.04	21,540,400	2154.04	18,790,400	1879.04
Movement in Equity Shares during the year	8,600,000	860.00	1,750,000	175.00	2,750,000.00	275
Number of Equity Shares at the closing	31,890,400	3,189.04	23,290,400	2,329.04	21,540,400.00	2,154.04

(iii) In the last 5 years, the Company has not :

- allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash
- allotted any bonus shares,
- bought back its shares.



(iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	Shares held by promoters			
	As at			
	31st March, 2023		31st March, 2022	
	No. of shares	% of Total Shares	No of Shares	% of Total Shares
Mrs. Gurcharan Kaur	7,133	0.02%	7,133	0.03%
Mr. Ranjan Jain	3,480,386	10.91%	480,386	2.06%
Mrs. Ruchika Jain	1,851,954	5.81%	1,851,954	7.95%
Mr. Suninder Veer Singh	959,180	3.01%	1,059,180	4.55%
Mr. Rajesh Gupta	-	-	406,260	1.74%
Mr. Dinesh Jagdish Kokhani	1,750,000	5.49%	-	0.00%
Mr. Mahesh Jagdish Kokhani	2,125,027	6.66%	-	0.00%
Mr. Virendra Popatlal Shah	2,557,550	8.02%	-	0.00%
Mr. Bhavesh Virendra Shah	1,437,500	4.51%	-	0.00%
Mr. Bimal Virendra Shah	1,437,500	4.51%	-	0.00%
Mr. Mehul Virendra Shah	1,555,700	4.86%	-	0.00%
	17,161,930	53.82%	3,804,913	18.34%

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	Shares held by promoters			
	As at			
	31st March, 2022		31st March, 2021	
	No. of shares	% of Total Shares	No of Shares	% of Total Shares
Mrs. Gurcharan Kaur	7,133	0.03%	7,133	0.03%
Mr. Rajesh Gupta	406,260	1.74%	406,260	1.74%
Mr. Ranjan Jain	480,386	2.06%	480,386	2.06%
Mrs. Ruchika Jain	1,851,954	7.95%	1,01,954	0.44%
Mr. Suninder Veer Singh	1,059,180	4.55%	1,059,180	4.55%
	3,804,913	18.34%	2,054,913	8.83%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at				
	No of Shares		31st March, 2020		
	No. of shares	% of Total Shares	No of Shares	% of Total Shares	
Mrs. Gurcharan Kaur	7,133	0.03%	7,133	0.03%	0.00%
Mr. Rajesh Gupta	406,260	1.89%	406,260	1.89%	0.00%
Mr. Ranjan Jain	480,386	2.23%	480,386	2.23%	0.00%
Mrs. Ruchika Jain	101,954	0.47%	101,954	0.47%	0.00%
Mr. Suninder Veer Singh	1,059,180	4.92%	1,059,180	4.92%	0.00%
	2,054,913	9.54%	2,054,913	9.54%	0.00%



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

13 Borrowings

Particulars	Rupees in Lakh		
	As at		
	31st March, 2023	31st March, 2022	31st March, 2021
1) Secured Loans :			
a) Cash Credit from PNB	0.00	0.00	265.24
Total	0.00		265.24
2) Unsecured Loans :	0.00	0.00	0.00
Total	0.00		265.24

14 Trade Payables

Particulars	Rupees in Lakh		
	As at		
	31st March, 2023	31st March, 2022	31st March, 2021
Trade payable - Micro, Small and Medium enterprises	51.75	65.75	52.10
Trade payable - Other than Micro, Small and Medium enterprises	3993.77	2286.75	3631.48
Total	4045.52	2352.50	3683.59

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following from Transaction date		
	Less than 1 year	1-2 years	2-3 years
(i) MSME	51.75	-	-
(ii) Others	3,447.80	7.28	-
(iii) Disputed dues MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
Total	3,499.55	7.28	

Particulars	Outstanding for following from Transaction date	
	More than 3 years	Total
(i) MSME	-	51.75
(ii) Others	529.54	3,984.62
(iii) Disputed dues MSME	-	-
(iv) Disputed dues - Others	9.15	9.15
Total	538.69	4,045.52



SYSCHEM (INDIA) LIMITED

Notes to the Restated financial statements for the Reporting year

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following from Transaction date		
	Less than 1 year	1-2 years	2-3 years
(i) MSME	65.75	-	-
(ii) Others	1,503.65	3.50	7.42
(iii) Disputed dues MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
Total	1,569.40	3.50	7.42

Particulars	Outstanding for following from Transaction date	
	More than 3 years	Total
(i) MSME	-	65.75
(ii) Others	507.19	2,021.76
(iii) Disputed dues MSME	-	-
(iv) Disputed dues - Others	264.99	264.99
Total	772.18	2,352.50

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following from Transaction date		
	Less than 1 year	1-2 years	2-3 years
(i) MSME	52.10	-	-
(ii) Others	2,725.66	59.52	51.63
(iii) Disputed dues MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
Total	2,777.76	59.52	51.63

Particulars	Outstanding for following from Transaction date	
	More than 3 years	Total
(i) MSME	-	52.10
(ii) Others	489.89	3,326.50
(iii) Disputed dues MSME	-	-
(iv) Disputed dues - Others	304.99	304.99
Total	794.88	3,683.59



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

15 Short Term Provisions

Particulars	As at			Rupees in Lakh
	31st March, 2023	31st March, 2022	31st March, 2021	
Provision for Employee Benefits				
- Provision for Gratuity	19.66	14.60	13.82	
- Provision for Leave Encashment	9.23	9.42	0.00	
Total	28.89	24.01748	13.82	

16 Other Current Liabilities

Particulars	As at			Rupees in Lakh
	31st March, 2023	31st March, 2022	31st March, 2021	
Advances received from customers	0.00	0.00	0.00	
Cheque Pending Encashment	0.00	28.15	0.00	
Expenses payable	65.02	82.58	111.41	
Statutory dues payable	158.08	66.77	15.01	
Total	223.10	177.50	126.42	

17 Revenue from Operations

Particulars				Rupees in Lakh
	31st March, 2023	31st March, 2022	31st March, 2021	
Revenue from sale of products (including Goods and Service Tax)	13027.51	6549.55	7410.64	
Revenue from rendering of services	0.00	0.00	0.00	
Other operating revenue	10.17	13.74	30.84	
Total	13037.68	6563.29	7441.48	



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

18 Other Income

Particulars	Rupees in Lakh		
	31st March, 2023	31st March, 2022	31st March, 2021
Interest Income	4.83	7.45	2.78
Misc Income	20.00	5.18	22.78
Total	24.83	12.63	25.56

19 Cost of materials consumed

Particulars	Rupees in Lakh		
	31st March, 2023	31st March, 2022	31st March, 2021
Opening stock	1797.91	3280.67	1453.75
Add: Purchases	8996.29	3213.97	7366.71
	10794.20	6494.63785	8822.47
Less:			
Closing Stock	1548.23	1797.91	3280.67
Total	9245.97	4696.73	5541.80

20 Changes in inventories of Finished Goods and Work-in-Progress

Particulars	Rupees in Lakh		
	31st March, 2023	31st March, 2022	31st March, 2021
Inventories at the end of the year:			
Finished goods	3.48	115.71	27.56
Work-in-progress	0.00	0.00	0.00
	3.48	115.71	27.56
Inventories at the beginning of the year:			
Finished goods	115.71	27.56	24.48
Work-in-progress	0.00	0.00	546.97
	115.71	27.56	571.45
Net (increase) / decrease	112.24	(88.15)	543.89

21 Employee Benefits Expense

Particulars	Rupees in Lakh		
	31st March, 2023	31st March, 2022	31st March, 2021
Salaries and Wages	393.52	407.81	373.35
Contribution to provident and other funds	18.10	18.20	18.25
Staff welfare expenses	28.10	27.82	18.13
Total	439.72	453.83	409.73



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

			Rupees in Lakh
Particulars	31st March, 2023	31st March, 2022	31st March, 2021
Interest	1.96	27.33	5.32
Bank Charges	2.25	1.09	0.22
Exchange Fluctuation	0.00	0.00	0.00
Total	4.21	28.42	5.54

			Rupees in Lakh
Particulars	31st March, 2023	31st March, 2022	31st March, 2021
Direct Expenses	213.98	238.51	287.18
Power, Fuel & Water Charges	276.74	277.09	258.48
Consumption of Stores & Spares			0.80
Rent - DG Set			
Repairs and Maintenance	0.00	1.73	6.80
- Buildings	13.26	66.68	26.15
- Machinery	4.85	0.37	0.00
Watch & Ward			
Indirect Expenses	4.56	3.06	2.71
Advertisement & Publicity	16.45	39.45	18.64
Rates and Taxes	6.71	1.14	0.85
Insurance	59.83	73.49	101.02
Legal & Professional Expenses	17.29	15.81	16.20
Rent - Office	3.39	3.91	4.15
Postage & Telephone	4.23	3.70	2.41
Printing & Stationery	6.95	4.33	3.62
Travelling & Conveyance			
Auditors' Remuneration	2.50	2.50	2.00
- Statutory Audit Fee	1.95	1.50	1.50
- Secretarial Audit Fee	0.65	0.00	0.45
- Cost Audit Fee	26.08	4.69	0.39
Fines & Penalties	9.56	14.52	24.64
Other Marketing Expenses	10.17	13.74	30.84
Business Support Services	1.29	0.74	0.00
Electricity & Water - Office	0.00	0.00	27.92
Loss on disposal of Property, Plant and Equipment	9.26	13.87	7.58
Miscellaneous Expenses			
Total	892.99	781.14	859.87

			Rupees in Lakh
Particulars	31st March, 2023	31st March, 2022	31st March, 2021
Profit for the year	451.31	-170.72	-556.59
Profit for the year for diluted earning per share	451.31	-170.72	-556.59
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	29486233	22561233	20623733
Effect of potential Ordinary Equity shares on employee stock options	0	0	0
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	2404167	22561233	20623733
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	1.53	-0.76	-2.70
Diluted earning per share (Rs.)	18.77	-0.76	-2.70



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

25 Related Party Transactions

Key Management Personnel

Suninder Veer Singh - Managing Director
Ranjan Jain - Whole Time Director
Sanjeev Aggrawal - Chief Financial Officer
Shikha Kataria - Company Secretary
Naresh Batra - Chief Financial Officer (Resigned)
Rajesh Gupta

Promoters

Rajesh Gupta
Bhavesh Virendra Shah
Bimal Virendra Shah
Impetus Healthcare
Rajesh Modi & Co

Enterprises significantly influenced by Promoters

Pharmacare International

Relatives of key management personnel

Ruchika Jain - Director's Spouse
Gurcharan Kaur - Director's Spouse
Rajesh Gupta

Details of transaction between the Company and its related parties are disclosed below:

Particulars	31st March, 2023	31st March, 2022	Rupees in Lakh
			31st March, 2021
i) Key Management Personnel			
a) Remuneration	65.04	66.11	35.73
b) Loans received / paid (Net)	-24.23	-101.34	113.15
Aggregate balances outstanding as at the year end			
a) Loans - Key Management Personnel	20.60	62.84	194.09
a) Loans - Promoters	29.91	29.91	
ii) Enterprises significantly influenced by Other Related Party			
a) Sales	7914.02	5.66	21.55
b) Purchases	7441.26	64.32	39.04
c) Security	24.86	0.00	
Aggregate balances outstanding as at the year end			
- Receivables	3937.74	0.00	0.72
- Payables	5395.98	0.00	0.00
iii) Relatives of Key Management Personnel			
a) Remuneration	42.00	42.00	30.00
b) Legal & Professional Fees	0	0	1.20

26 *Contingent Liabilities and Commitments (To the extent not provided for)

Particulars	31st March, 2023	As at 31st March, 2022	Rupees in Lakh
			31st March, 2021
Contingent Liabilities			
- Excise matters in dispute	0.00	0.00	-
- Other monies for which company is contingently liable	144.00	72.50	74.80
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and	0.00	0.00	-



SYSCHEM (INDIA) LIMITED
Notes to the Restated financial statements for the Reporting year

27 Segment Reporting

The Company is working under one business segment only i.e. Pharmaceuticals. These pharmaceutical products are having different applications. Besides there is not any significant variances on geographical basis, so the segment reporting defined under Ind AS 108 is not applicable.

28 Details related to Long term Borrowings

a) Details of security

Term Loan and Cash Credit from Punjab National bank are secured against hypothecation of Land & Building, Plant & Machinery and Misc Fixed Assets and personal guarantees of Whole Time Directors

b) Terms of repayment of term loans and others

Particulars	Period of Maturity	No. of Installments Due*	Amount of Installments Due*
Nil			

No Bank institution/NBFC Liability as on 31.03.2022, as the same has been paid during the year.



CAPITALISATION STATEMENT

The following table sets forth our capitalization statement derived from our Restated Financial Statement for the Period- ended March 31, 2023, and as adjusted for the issue:

(₹in lakhs)

PARTICULARS	Pre- Issue as at 31 st March, 2023	As adjusted for the Issue
Total Borrowings		
Current borrowings (A)	0.00	[•]
Non-Current borrowings (including Current Maturity) * (B)	160.51	[•]
Total Borrowings (C) = (A+B)	160.51	[•]
Total Equity attributable to owners of the Parent		
Equity Share Capital (D)	3189.04	[•]
Reserves and Surplus (E)	(958.57)	[•]
Total Equity attributable to owners of the Parent (F) = (D+E)	2230.47	[•]
Non-Current Borrowings/Total Equity attributable to owners of the parent (B)/(F)	0.07	[•]
Total Borrowings/ attributable to owners of the parent (C)/(F)	0.07	[•]
* These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended). Certified by the Statutory Auditor, M/s S T A V & Associates, pursuant to its certificate dated 8 th July, 2023		

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

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information as of and for the Fiscals 2023, 2022 and 2021 all prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Information" on page 91. Unless otherwise stated, the financial information used in this chapter is derived from the Restated Financial Statements of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward- Looking Statements" on pages 25 and 18 respectively.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Syschem (India) Limited , as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

Syschem (India) Limited is engaged in the business of manufacturing of API / Intermediates and Chemicals. It has its manufacturing facility at Village Bargodam, Tehsil Kalka, Distt. Panchkula (Haryana).

- ☐ Amoxicillin Trihydrate
- ☐ Ampicillin Trihydrate
- ☐ Cloxacillin Sodium
- ☐ Dicloxacillin Sodium
- ☐ Flucloxacillin Sodium (For export only)
- ☐ Cephalexin
- ☐ Cefixime
- ☐ Cefadroxil
- ☐ Distillation of Specialty Solvents-DMF, Acetonitrile

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF THE OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled 'Risk Factors' on page 25 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and result so of operations:

- Any adverse changes in central or state government policies;
- Loss of one or more of our key customers and/or maintenance contractors;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and inter estate policies of India and other countries, inflation, deflation, unanticipated turbulence in inter estates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Delays in collection of dues/receivables from the market
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little notice or penalty; and

- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals compliance with and changes in, safety, health and environment all a was and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial Information*” on page 91.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter “*Financial Information*” on page 91, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled “*Financial Information*” on page 91.

Principal components of our statement of profit and loss account Revenue

The following descriptions set for the information with respect to the key components of the Restated Consolidated Financial Statements.

Total Income

Our revenue comprises of:

Revenue from operations

Our revenue from operations is predominantly from sale of pharmaceuticals goods and chemicals and other operating revenues comprising income from Business

Other Income

Other income comprises interest income and others etc.

Expenses

Our expenses primarily comprise the cost of material consumed, employees benefit expenses, Goods & Service Tax, finance cost, depreciation and amortization expenses and other expenses

Cost of Raw Materials Consumed

Our expenses compromise of Cost of Raw Materials Consumed, Changes in Inventories of Finished Goods and Work-in-Progress.

Employees Benefit expenses

Employee benefit expense consists of salaries and wages, provident fund, gratuity expense and staff welfare expenses.

Goods and services Tax

Goods and service tax comprise use from inverted structure and additional payment of tax paid for net made during the period.

Finance Cost

Finance cost comprises interest expenses on term loans, current borrowing, and other borrowing costs.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation/amortization on property, plant and equipment, office equipment, furniture & fixtures, vehicles, computers, buildings, software, technical know-how and other Intangible assets.

Other Expenses

Other expenses comprises power & fuel, Rent, Repairs and Maintenance – others, Insurance, Rates and Taxes, Communication, Travelling and conveyance, printing and stationary, Freight and forwarding, Sales commission, Hire Charges, Sitting Fees, Legal and professional charges, Payments to auditors, Provision for doubtful trade receivables, Net loss on foreign currency transactions and translation, Electricity Charges, Bank charges, Watch and Ward and Miscellaneous expenses.

Tax Expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted as at the relevant balance sheet date.

RESULT OF OPERATIONS

The following table sets for the period is indicated, certain items from our restated financial statements, in each case also stated as a percentage of our total income:

(₹ in Lakhs)						
Particulars	March 31, 2023	Percentage of Total Income (%)	March 31, 2022	Percentage of Total Income (%)	March 31, 2021	Percentage of Total Income (%)
CONTINUED OPERATIONS						
INCOME						
Revenue from Operations	13037.68	99.81	6563.29	99.81	7441.48	99.657
Fixed Charges & other reimbursements	-	-	-	-	-	-
Other Income	24.83	0.19	12.63	0.19	25.56	0.34
Total Income(A)	13062.51	100	6575.92	100	7467.04	100.00
EXPENDITURE						
Cost of raw Material Consumed	9245.97	70.78	4696.73	71.42	5541.80	74.21
Changes in Inventories of Finished Goods and Work in Progress	112.24	0.86	(88.15)	-1.34	543.89	7.28
Goods & Service Tax	1682.05	12.88	663.22	10.08	592.81	7.93
Employee Benefits Expense	439.72	3.37	453.83	6.90	409.73	5.48
Finance Cost	4.21	0.03	28.42	0.43	5.54	0.0742
Depreciation and Amortization Expense	270.26	2.07	258.06	3.92	235.49	3.153
Other Expenses	692.99	5.31	781.14	11.88	869.87	11.64
Total Expenses(B)	12447.44	95.29	6793.24	103.30	8198.83	109.80
Profit/(Loss) before exceptional items and tax(A -B)	615.07	4.71	217.32	-3.30	(731.49)	-9.80
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00

Profit/(Loss)before tax	615.07	4.71	217.32	-3.30	(731.49)	-9.80
Tax Expenses		0		0		0
Current Tax	29.60	0.002	0.00	0	0.00	0
Deferred Tax	163.72	0	46.60	.71	174.90	2.34
Mat Credit Entitlement	(29.60)	-0.002	0.00	0	0.00	0
Profit/(Loss) for the year from continued operations after Tax	451.32	0	-170.72	-2.60	(556.59)	-7.45
DISCONTINUED OPERATIONS				0		0
Profit/(Loss) from discontinued operations before Tax	0.00	0	0.00	0	0.00	0.00
Tax expense of discontinued operations	0.00	0	0.00	-	0.00	0
Profit/(Loss) from discontinued operations after Tax	0.00	0	0.00	0	0.00	0
Profit/(Loss)for the year	451.32	3.46	-170.72	-2.60	(556.59)	-7.45

Comparison of Historical Results of Operations

*Fiscal 2023 Compared to Fiscal 2022

Total Income

Our total revenue including other income for Fiscal 2023 was ₹ 13062.51 Lakhs as compared to ₹ 6575.92 Lakhs for the Fiscal 2022, representing an increase of 97.62%. The increase in total revenue was primarily due to resumption of smooth operations and market demand. Total revenue comprises of:

Revenue

Revenue from operations

Our revenue from operations for the Fiscal 2023 was ₹13037.68 Lakhs as compared to ₹6563.29 Lakhs for the Fiscal 2022, representing an increase of 98.65%. The increase is primarily due to resumption of smooth operation and market

Fixed charges & Other reimbursement

Our Other reimbursements for the Fiscal 2023 was nil as well as Nil in Fiscal 2022.

Other income

Our other income for the Fiscal 2023 was ₹ 24.83 Lakhs as compared to ₹ 12.63 Lakhs for the Fiscal 2022, representing a decrease of 96.60%. The increase in other income was primarily due to impact of interest income and difference in exchange.

Expenditure

Our total expenditure for the Fiscal 2023 was ₹12447.44 Lakhs as compared to ₹6793.24 Lakhs for the Fiscal 2022 in compare of revenue, representing a decrease by 8.01%.

Cost of Raw Material Consumed

Our Cost of Raw material consumed for the Fiscal2023was₹9245.97Lakhs as compared to ₹4696.73 Lakhs for the Fiscal 2022 in compare of revenue, representing a decrease of 0.64%. The increase is primarily due to efficiency of production yield.

Employee benefit expenses

Our employee benefit expenses for the Fiscal 2023 was ₹439.72 Lakhs as compared to ₹453.83 Lakhs for the Fiscal 2022 in compare of revenue, representing a decrease of 3.54 %. The reduction was primarily due to utilization of efficiency and we have trained in professionally manner for smooth functioning.

Finance cost

Finance cost for the Fiscal 2023 was ₹ 4.21 Lakhs as compared to ₹ 28.43 Lakhs in compare of revenue for the Fiscal 2022 representing a decrease of .40%

This interest expense reduced by Rs. 24.21 lakhs primarily on account of repayment of Rs. 1217.00 OTS with Punjab National Bank in March 2022

Depreciation and Amortization Expenses

Our depreciation and amortization expenses for the Fiscal 2023 was 270.26 Lakhs as compared to ₹258.06 Lakhs for the Fiscal 2022 in compare of our revenue, representing a decrease of 1.86%.

Other expenses

Our other expenses for the Fiscal 2023 was ₹ 692.99 Lakhs as compared to 781.14 Lakhs for the Fiscal 2022 in compare of our revenue representing a decrease of 6.57%. The decrease is primarily due to impact of sales achieved with the budgeting for other expenses.

Restated Profit/(Loss) after tax (Net Profit)

Our restated profit after tax for the Fiscal 2023 was ₹ 451.32 Lakhs as compared to a loss after tax of ₹ (170.72) Lakhs for the Fiscal 2022, representing increase in profit by 8.33%.

Fiscal 2022 compared to Fiscal 2021

Total Revenue

Our total revenue for Fiscal 2022 was ₹ 6575.92 Lakhs as compared to ₹7467.04 Lakhs for the Fiscal 2021, representing a decrease of 11.93%.

Total revenue comprises of:

Revenue

Revenue from operations

Our revenue from operations for the Fiscal 2022 was ₹ 6563.29 Lakhs as compared to ₹7441.48 Lakhs for the Fiscal 2021, representing a decrease of 11.80%. The decrease is primarily on account of reduction due to volatile of RM prices also the low demand has seen in the market.

Fixed charges and other reimbursement

Our Other reimbursements for the Fiscal 2022 was nil as well as Nil in Fiscal 2021

Other income

Our other income for the Fiscal 2022 was ₹ 12.63 Lakhs as compared to ₹ 25.56 Lakhs for the Fiscal 2021, representing a decrease of 50.59%. The decrease in other income was primarily due to difference and exchange and contractual receipt.

Expenditure

Our total expenditure for the Fiscal 2022 was ₹6793.24 Lakhs as compared to ₹8198.83 Lakhs for the Fiscal 2021, representing a decrease of 6.50%.

Cost of Raw Material Consumed

Our Cost of Raw material consumed for the Fiscal 2022 was ₹4696.73 Lakhs as compared to ₹5541.80 Lakhs for the Fiscal 2021 in compare of our revenue, representing a decrease of 2.79%. The increase is primarily due to improved efficiency of production yield.

Employee benefit expenses

Our employee benefit expenses for the Fiscal 2022 was ₹453.83 Lakhs as compared to ₹409.73 Lakhs for the Fiscal 2021, representing an increase of 1.41% due to inflation cost of the operations.

Finance cost

Finance cost for the Fiscal 2022 was ₹ 28.42 Lakhs as compared to ₹ 5.54 Lakhs in compare of revenue for the Fiscal 2021 representing an increase of 0.36% due to payment of interest on one time settlement.

Depreciation and Amortization Expenses

Our depreciation expenses for the Fiscal 2022 was ₹258.06 Lakhs as compared to ₹235.49 Lakhs for the Fiscal 2021, representing increase of 0.77%.

Other expenses

Our other expenses for the Fiscal 2022 was ₹ 781.14 Lakhs as compared to ₹ 869.87 Lakhs in compare to revenue for the Fiscal 2021, representing an increase of 0.23%. The reduction is primarily on account reduction in provisioning, Legal and professional, travel, conveyance and utility expense reduction on account of covid restrictions.

Restated Profit/(Loss)after tax (Net Profit)

Our restated Profit/loss after tax for the Fiscal 2022 was ₹(170.72) Lakhs as compared to Profit/Loss of (₹556.59) Lakhs for the Fiscal 2021.

CASH FLOWS

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

<i>(in ₹ Lakhs)</i>			
Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net(loss) / profit before tax	615.07	(217.32)	(731.49)
Net Cash from/ (used in) operating activities	(849.49)	106.99	371.81
Net Cash from/ (used in) investing activities	908.05	(78.24)	(377.43)
Net Cash from/ (used in) financing activities	(4.21)	(28.43)	(5.54)
Net increase/ (decrease) in cash and cash equivalents	54.35	0.33	(11.14)
Cash and cash equivalents at the beginning of the year/period	2.74	2.41	13.55
Exchange differences on translation of foreign Currency cash and cash equivalents	0.00	0.00	0.00
Effects on derecognition of subsidiary	0.00	0.00	0.00
Cash and cash equivalents at year/period end	57.09	2.74	2.41

Operating activities

Operating activities comprise of profit/(loss) for the year before interest, depreciation and finance charges, changes in working capital and further adjustment of non-cash items.

Net cash from operating activities for the period ended March 31, 2023 was ₹ 849.49 Lakhs as compared to the Net Profit before tax of ₹615.07Lakhsforthe same period. This difference is primarily on account of trade, other payables and increased receivables/claims.

Net cash from operating activities for the period ended March 31, 2022 was ₹ 106.99 Lakhs as compared to the Net loss before tax of ₹ 217.32 Lakhs for the same period. This difference is primarily on account of trade, other payables and increased receivables/claims.

Net cash from operating activities for the period ended March 31, 2021 was ₹ 371.81 Lakhs as compared to the Net loss before tax of ₹731.49Lakhsforthe same period. This difference is primarily on account of trade, other payables and increased receivables/claims.

Investing activities

Investing activities comprises of purchase of property, plant and equipment, proceeds from disposal of Property, Plant and Equipment, repayment of loan from related parties and interest received form Intercompany loans and Bank deposits.

Net cash generated from investing activities for period ended March 31, 2023 was ₹ 908.05 Lakhs. This was predominantly on account of proceeds of capital, proceeds received from/advances for disposal of Property, Plant and Equipment.

Net cash generated from investing activities for period ended March 31, 2022 was ₹78.24 Lakhs of proceeds from share capital, disposal of property & plant and equipment.

Net cash generated from investing activities for period ended March 31, 2021 was ₹377.43Lakhs from share capital proceeds, Bank deposits and proceed from disposal of property, plant and equipment.

Financing activities

Financing activities comprises of payment of lease liabilities, proceeds from long term borrowings-banks/others, repayment of long-term borrowings banks/others, proceeds from short term borrowings and interest.

Net cash used in financing activities for period ended March 31, 2023 was ₹ 4.21 Lakhs. This was on predominantly account of interest only

Net cash used in financing activities for period ended March 31, 2022 was ₹ 28.43Lakhs. This was on account of repayment of interest of for one time settlement of principal Rs 1217.43 Lakhs respectively.

Net cash used in financing activities for period ended March 31, 2021 was ₹5.54Lakhs. This was on predominantly account of interest respectively.

Contingent liabilities and off-balance sheet arrangements

The following table sets forth certain information relating to our contingent liabilities:

(in ₹ Lakhs)				
Sr. No.	Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
1	Contingent Liabilities (Net of Provision)	144.00	72.50	74.80
Sr. No.	Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
	a). Income Tax Demands against which the Group has gone on Appeal*	0.00	0.00	0.00
	b). Service Tax Demands against which the Group has gone on Appeal*	0.00	0.00	0.00

	c). Corporate Guarantees given	3500.00	0.00	0.00
	d). Claims against the Company/subsidiary, not acknowledged as debt	0.00	0.00	0.00
2	Commitments	-	-	-

**the company expects a favorable decision in respect of the above based on professional advice and, hence, no provision for the same has been made.*

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Capital Expenditure

Capital expenditure is incurred mainly towards leasehold assets, land parcels and other miscellaneous assets. The primary sources of finance for these additions are out of cash generated from operations.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. Our principal market risks are tariff revisions, market prices of electricity, inter estate risk, credit risk and foreign exchange risk.

Total Debt

For details of our borrowings, please see section titled “*Financial Information*” on page 91 of this Draft Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 25 and 121, respectively, to our knowledge there are no known trends or uncertainties that have or expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 25.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 25 and 121, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like customer relationship management, active price negotiations and effective machine availability, we are able to stay competitive. For further details, kindly refer the chapter titled “*Our Business*” beginning on page 75.

Total Turnover of Each Major Business Segment

We operate only in one business segment i.e., Sale Active Pharmaceuticals Ingredient and chemicals The turnover details are given in “*Financial Information*” at page 91.

New Product or Business Segment

Except as disclosed in “*Our Business*” on page 75, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections “*Risk Factors*” on page 25, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE from October 19, 1995.

- a) Year is a Financial Year;
- b) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- c) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- d) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) BSE Limited

Financial Year	High (₹)*	Date of high	No. of shares traded on date of high	Total volume traded on date of high (in ₹)	Low (₹)*	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (in ₹)	Average price for the year (₹)*
2023	62.00	20-01-23	356417	22065869	11.82	01-04-22	2108	24403	38.11
2022	17.65	04-01-22	141975	2524228	6.65	12-04-21	7646	52422	10.68
2021	9.45	15-02-21	24021	205257	5.72	27-08-20	11621	68026	6.73

(Source: www.bseindia.com)

Notes: High, low and average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

Market Prices for the last six calendar months

The total number of days trading during the past six months, from January 2023 to June 2023 was 122. The average volume of Equity Shares traded on the BSE during past 6 months was 3346792.57 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

a) BSE Limited

Month	Date of high	High (₹)*	Volume (No. of shares)	Total volume traded on date of high (in ₹)	Date of low	Low (₹)*	Volume (No. of shares)	Total volume traded on date of low (in ₹)	Average price for the month (₹)*
June 2023	07-06-23	42.16	39198	1623330	09-06-23	38.07	249937	9391488	40.43
May 2023	12-05-23	50.79	74794	3875901	31-05-23	41.74	63155	2627751	44.26
Apr 2023	03-04-23	48.06	8873	422038	27-04-23	40.76	112910	4568173	44.72
Mar 2023	10-03-23	52.61	63787	3235961	01-03-23	47.08	30959	1486387	49.04
Feb 2023	14-02-23	57.25	51880	2969033	28-02-23	46.10	42430	1977609	52.47
Jan 2023	20-01-23	62.00	356417	22065869	04-01-23	43.05	14261	614473	54.26

(Source: www.bseindia.com)

* High, low and average prices are based daily closing prices.

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on 4th July, 2023. The high and low prices of our Company's shares as quoted on the BSE on 5th July, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of equityShares)	Highest Price (₹)	Low price (₹)
5 th July, 2023	33626	42.00	41.12

Source: www.bseindia.com

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

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

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. Criminal Proceedings

Ganesh Polychem Vs. Syschem India: Case under Section 138 of Negotiable Instrument Act.

This Case is pending in the Court of Chief Justice Magistrate, Chandigarh and the case is Criminal in nature, and the date of filing is 24-01-2019. This case is filed under Section 138 of the Negotiable Instruments Act. The amount claimed in the Case is Rs. 3,48,054.

Lotus Builder (Unit of Lotus Refineries (P) Ltd) Vs Syschem India Limited

This Case is pending in Criminal Court, Chandigarh and case filed under Section 138 of the Negotiable Instrument Act on 08-12-2022 and the amount claimed is Rs. 2,20,50,000.

QP Pharmacare Limited Vs Syschem India Limited

The Case is filed under section 138 of the Negotiable Instrument Act, and the case is filed in Patiala District Court and the Amount involved in the case is Rs. 3,82,09,411.

Shri Shubham Road Carrier Vs Syschem India Limited.

This Case is in the Civil Court Secunderabad and filed by way of recovery petition in terms of 26 CRPC and the amount claimed is Rs. 24,25,785.

ii. Litigation filed by Our Company

Syschem India Limited VS Jeet Traders

This Case is pending in the Court of Chief Justice Magistrate, Chandigarh and the Case is Criminal in nature, and date of filing is 13-09-2019. This case is filed under section 138 of Negotiable Instruments Act. The amount involved is Rs. 60000/-.

Syschem India VS. S. R. Pharmaceutical

This Case is filed in the Criminal Court, Chandigarh and the date of registration of the Case is 16.09.2019. The case is filed under section 138 of Negotiable Instrument Act and the amount involved is Rs. 6,21,003.

1. Actions taken by Statutory/Regulatory Authorities

Nil

2. Tax Proceedings

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise and Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax		
Cases filed against our Company	Nil	Nil
Cases filed by our Company	Nil	Nil
Total	Nil	Nil

*To the extent quantifiable

3. Other Material Litigations

Nil

4. Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals

Except as stated below there are no disciplinary action which have been taken against our Company by SEBI or any stock exchange in the last five Fiscals:

The Company has made payment of Rs 759920/- by way of penalty to BSE Limited with respect to violation of Reg 34 and 17(1) of SEBI LODR Regulations, 2015 on 5th August, 2021.

iii. Litigation by our Company

1. Criminal Proceedings

Nil

2. Civil and other Material Litigations

Nil

2. LITIGATION INVOLVING OUR PROMOTER

Cases filed against our Promoter

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Nil

4. Other Material Litigations

Nil

5. *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals*

Except as stated below there are no disciplinary action which have been taken against our Promoters by SEBI or any stock exchange in the last five Fiscals:

A penalty of Rs. 10,00,000 (Rupees Ten Lakhs Only) in aggregate were imposed against the Promoter and Promoter group of the Company vide SEBI Adjudication Order reference no. Order/GR/RK/2022-23/22312-22321 dated 21st December, 2022 towards delay compliance with filing of disclosures under Regulation 30 and 29 of SEBI (SAST) Regulations, 2011.

Cases filed by our Promoter

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our directors

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Directors by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our directors

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

3. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy, our Company has no material creditors, as on March 31, 2023.

As on March 31, 2023, the details of amounts outstanding towards small scale undertakings and other creditors are as follows:

(₹ in lakhs)		
Particulars	No. of Creditors	Amount
Outstanding dues to small scale undertakings	03	51.75
Outstanding dues to other creditors	111	3993.77
Total outstanding dues	114	4045.52

For further details, refer to the section titled “*Financial Information*” on page 91 of this Draft Letter of Offer.

4. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

5. MATERIAL DEVELOPMENT SINCE 31st MARCH, 2023.

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 121 of this Draft Letter of Offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any further licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 45 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated 4th July, 2023 have authorized this Issue under Section 62(1)(a) of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share, and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●]([●]) Equity Shares held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letters dated [●] issued by BSE Limited for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, Our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer except a penalty of Rs. 10,00,000 (Rupees Ten Lakhs Only) in aggregate were imposed against them *vide* SEBI Adjudication Order reference no. Order/GR/RK/2022-23/22312-22321 dated 21st December, 2022 towards delay compliance with filing of disclosures under Regulation 30 and 29 of SEBI (SAST) Regulations, 2011.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers 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.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE Limited. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, Our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is below Rs. 5000 Lakhs.

Caution

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

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is Current only as of its date.

Disclaimer from Our Company, Our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website orientgreenpower.com or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to 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 the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

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

Disclaimer in respect of Jurisdiction

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

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR

SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

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

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES.

THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Final Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees Ten Crores to Rupees Fifty Crores. Since the size of this Issue falls below this threshold, the Final Letter of Offer has been filed with the BSE and not with SEBI.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders' Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer. Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole / first holder, folio number or demat account number, number of 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 photo copy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning at page 125 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows.

Beetal Financial & Computer Services Private Limited

Beetal House, 99 Madangir, Behind LSC

Near Dada Harsukh Das Mandir,

New Delhi-110062 India;

Telephone: +91 11 29961281-82

Fax No.: +91 11 29961284

Email: beetalrta@gmail.com, beetal@beetalfinancial.com

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

SEBI Registration: INR000000262

Validity: Permanent

Contact Person: Mr. Punit Mittal

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Shikha Kataria, Company Secretary and Compliance Officer of Our Company. Her contact details are set forth hereunder.

Syschem India Limited

SCO 825, First Floor

Mani Majra, Chandigarh-160101

Telephone: +91-172-5070471/472

E-mail: shikhakataria@syschem.in,

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "*Market Price Information*" on page 130 of this Draft Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Draft Letter of Offer. Investors who are eligible to apply under the ASBA process, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, 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, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, our Company will at least three days before the Issue Opening Date, dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, 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 Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Draft Letter of Offer, 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 Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.syschem.in;
- b) the Registrar to the Issue at www.beetalfinancial.com ;
- c) the Stock Exchanges at www.bseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.syschem.in).

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

2) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, “OGPL Rights issue – Suspense Escrow Demat Account”) opened by our Company, for the Resident 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 Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], [●] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Resident 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.

In accordance with the SEBI Rights Issue Circular, the Resident 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 two Working Days prior to the Issue Closing Date i.e. [●], [●], 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.

3) Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 150.

4) Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided

that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange.

Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” beginning on page 164.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

- 5) Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “*Procedure for Application through the ASBA process*” on page 150 of this Draft Letter of Offer.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated 4th July, 2023 has authorized this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●].

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.syschem.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the 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, 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. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the Applicants 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 Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the StockExchanges' websites. The distribution of the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the 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 legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, the 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 in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, the 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 the Draft Letter of Offer, the 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 Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, the 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. If the Draft Letter of Offer, the 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 the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable.**

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded under the ISIN: INE121D01036 on BSE (Scrip Code: 531173). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system. Investors shall be able to trade 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.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchanges.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Draft Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading “*Terms of Payment*” at page 147 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*” on page 42.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

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 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

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 Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations, Our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the Applicants 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 Draft Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation daily newspaper with wide circulation at the place where our Registered Office is situated.

The Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations 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. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 150.

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.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the 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.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the 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.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Draft Letter of Offer, 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 Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company www.syschem.in ;
- b) the Registrar to the Issue at www.beetalfinancial.com ; and
- c) the Stock Exchanges at www.bseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.syschem.in). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. [●], [●], after which they can apply through ASBA facility.

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 Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for 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;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. 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 162. 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 plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 150.

Options available to the Eligible Equity Shareholder

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.beetalfinancial.com and link of the same would also be available on the website of our Company at (www.syschem.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Right Issue Circular, the resident 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 two Working Days prior to the Issue Closing Date i.e. [●], [●], desirous of subscribing to Right Equity Shares may also apply in this Issue during the Issue Period through ASBA mode.

Such resident Eligible Equity Shareholders must check the procedure for Application in “Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form” on page 150.

Procedure for Application through the ASBA process

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 No. 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.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, 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.

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 process*” on page 150.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 143. Applications for additional Rights Equity 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 164.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce

the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

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.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

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.

(a) 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 Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. 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., [●] to [●] (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 ISIN [●] 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 BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) 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 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.

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 ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The 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.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in 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.

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.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application 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 Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently, may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Bengaluru and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “*Modes of Payment*” on page 156.

The envelope should be super scribed “***SYSCHEM INDIA LIMITED – RIGHT ISSUES***” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Orient Green Power Company Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and 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 Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

- Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 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);
- Additionally, all such Applicants are deemed to have accepted the following:

*“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“**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 (“**United States**”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“**Regulation S**”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits 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. Our Company, _____ 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.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. 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 provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on 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 Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under “*Terms of the Issue - Basis of Allotment*” on page 143.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, 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 finalization 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 Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement

Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI 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 at Beetal House, 3rd Floor, 99 Madangir behind LSC New Delhi-110062

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar and our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the 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 where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft 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 in each case who make a request in this regard.

- 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.
- 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.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. Alternatively, the said documents can be uploaded in the online portal of the RTA at [*];
2. 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;
3. The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” beginning on page 150.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE 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.

FOR DETAILS, SEE “ALLOTMENT ADVICES/ REFUND ORDERS” ON PAGE 165

General instructions for Investors

- (a) Please read this Draft Letter of Offer, Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circular, the resident 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 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.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of 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 150.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations 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.
- (i) 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.
- (j) 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, 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.
- (k) 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 and the Registrar.

- (l) 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 Application Form.
- (m) 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.
- (n) 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.
- (o) 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.
- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (q) 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, Physical folio number and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should send the intimation for such change to the respective depository participant for shares held in electronic form, and to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (s) 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.
- (t) 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.
- (u) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given

therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- (b) 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. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, 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 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. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (c) By signing the Application Forms, Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (h) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (i) Do not submit multiple Applications.
- (j) No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- (k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do’s:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) 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.

- (c) 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.
- (d) 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.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (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 Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the 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.

- c) 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:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s)(assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) 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).
- (j) 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.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) 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.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-

U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

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 APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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 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 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 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 Application Forms, the Investors would be deemed to have authorized 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 Application Forms are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 169.

In cases where multiple Applications are submitted, including cases where an Investor submits 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 the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* on page 42).

Underwriting

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

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

Issue Opening Date	[●]
Last date for receiving requests for Application Form and Rights Entitlement Letter#	[●]
Issue Closing Date	[●]
Finalising the basis of allotment with the Designated Stock Exchange	[●]
Date of Allotment (on or about)	[●]
Initiation of refunds	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Our Board may, however, decide 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).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

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

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part.
- As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than [●] ([●]) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be sent to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.
- Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall 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 unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- (f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post or email intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post, email or speed post to the sole/ first Investor's address or the email address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the event, our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund the entire proceeds of the Issue within four days of receipt of intimation from the Stock Exchanges rejecting the application for listing of Equity Shares, and if any such money is not repaid within four days after our Company becomes liable to repay we shall, on and from the expiry of the fourth day, be liable to repay that money with interest at the rate of fifteen per cent. per annum.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, 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 (“NACH”) – NACH 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 centers 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 centers 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 the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

3. National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the 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, such MICR number and the bank account number 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 such refund would be borne by our Company.

5. RTGS – If the refund amount exceeds ₹ 200,000, 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 such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund 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. 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 under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right 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 RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- 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 each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- 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.
- The responsibility for correctness of information filled in the 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 Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- 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 Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are 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.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 247.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, 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 eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“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

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lacs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lacs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized 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.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

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:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) 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*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lacs or with both.

Dematerialized Dealing

Our Company has entered into tripartite agreements dated 20th February, 2001 and 19th March, 2001 with NSDL and CDSL respectively and our equity shares bear the ISIN: **INE121D01036**.

Disposal of Applications 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 Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. 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 unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The Promoters together with Promoter Group of Our Company *vide* their respective letters dated July 12, 2023 have undertaken that they will subscribe to the full extent of their Rights Entitlements and together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion in the Rights Issue as may be required to ensure that the aggregate subscription in the Rights Issue shall be at least 90% of the Equity Shares offered in the Rights Issue and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations.

Further in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate as prescribed under the applicable laws.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Company through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page 25. All enquiries in connection with this Draft Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “*Syschem (India) Company Limited – Rights Issue*” on the envelope to the Registrar at the following address:

Beetal Financial & Computer Services Private Limited

Beetal House, 99 Madangir, Behind LSC,

Near Dada Harsukh Das Mandir

New Delhi – 110062, India;

Telephone: +91 11 29961281-82

Fax No.: +91 11 29961284

Email: beetalrta@gmail.com, beetal@beetalfinancial.com

Website: <http://www.beetalfinancial.com>

SEBI Registration: INR000000262

Validity: Permanent

Contact Person: Mr. Punit Mittal

The Issue will remain open for a minimum period of 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

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 Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

SECTION VIII

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.syschem.in from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Registrar Agreement dated 8th July, 2023 entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue.
- (iii) Tripartite Agreement dated 20th February, 2001 between our Company, NSDL and the Registrar to the Issue.
- (iv) Tripartite Agreement dated 19th March, 2001 between our Company, CSDL and the Registrar to the Issue.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Annual Reports of the Company for the years 2021 and 2022.
- (iii) Certificate of incorporation dated December 31, 1993.
- (iv) Certificate of Commencement of business dated February 01, 1994.
- (v) Resolution of the Board of Directors dated 4th July, 2023 in relation to the Issue.
- (vi) Resolution of the Rights Issue Committee dated 13 July, 2023 approving and adopting this Draft Letter of Offer.
- (vii) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- (viii) Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- (ix) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Final Letter of Offer in their respective capacities.
- (x) The examination reports dated 8th July, 2023 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Letter of Offer.
- (xi) Statement of Tax Benefits dated 8th July, 2023 from the Statutory Auditor included in this Draft Letter of Offer.
- (xii) In principle listing approvals dated [●] issued by BSE Limited.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION VIII - DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Ranjan Jain
(Managing Director)
DIN: 00635274

Sd/-
Suninder Veer Singh
(Whole Time Director)
DIN: 07693557

Sd/-
Neena Batra
(Non-Executive Director)
DIN: 07846399

Sd/-
Arshdeep Kaur
(Independent Director)
DIN: 08056826

Sd/-
Renu Rawat
(Independent Director)
DIN: 08161739

Sd/-
Sanjeev Agrawal
(Chief Financial Officer)

Sd/-
Shikha Kataria
(Company Secretary and Compliance Officer)

Date: 13th July, 2023

Place: Chandigarh