DRAFT RED HERRING PROSPECTUS
Dated July 14, 2021
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
Book Built Offer

Chemistry with care

CHEMSPEC CHEMICALS LIMITED

Chemspec Chemicals Limited (our "**Company**" or the "**Issuer**") was incorporated as 'Chemspec Chemicals Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 15, 1975, issued by the RoC. Our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on June 24, 2021 and consequently the name of our Company was changed to its present name, pursuant to a fresh certificate of incorporation issued by the RoC on July 8, 2021. For further details relating to the changes in the name of our Company and the registered office of our Company, see "*History and Certain Corporate Matters*" on page 150.

Corporate Identity Number: U24114MH1975PLC018665
Registered and Corporate Office: Plot No. 3-C, MIDC Taloja, Tal - Panvel, District – Raigad, Navi Mumbai - 410 208, Maharashtra, India; **Telephone:** +91 22 2740 1932/ 2740 1935;
Contact Person: Bharatkumar Dama, Company Secretary and Compliance Officer; **Telephone**: +91 22 2740 1932 / +91 22 2740 1935; **E-mail:** investor.relations@chemspec.co.in; **Website**: www.chemspec.co.in

OUR PROMOTERS: JAYANT VORA, MITUL VORA, RUSHABH VORA AND M/S BHAICHAND AMOLUK CONSULTANCY SERVICES LLP

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹7,000.00 MILLION ("OFFER"). THE OFFER COMPRISES OF AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES ("OFFERED SHARES") AGGREGATING UP TO ₹7,000.00 MILLION, COMPRISING UP TO [●] EQUITY SHARES AGGREGATING TO ₹2,334.00 MILLION BY BHAICHAND AMOLUK CONSULTANCY SERVICES LLP, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,333.00 MILLION BY MITUL VORA AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,333.00 MILLION BY RUSHABH VORA (TOGETHER THE "SELLING SHAREHOLDERS" AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs(s) and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**RII**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter), and UPI ID in case of RIIs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 296.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹2. The Offer Price, Floor Price or the Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 21.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders severally, and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 346.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM FINANCIAL	AXIS CAPITAL	LINKIntime
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Maharashtra, India **Telephone**: +91 22 6630 3030 **E-mail**: chemspec.ipo@jmfl.com **Website**: www.jmfl.com **Investor grievance e-mail**: grievance.ibd@jmfl.com **Contact person**: Prachee Dhuri **SEBI registration no**: INM000010361	**Axis Capital Limited** 1st Floor, Axis House C-2 Wadia International Center Pandurang Budhkar Marg, Worli Mumbai - 400 025 **Telephone**: +91 22 4325 2183 **E-mail**: chemspec.ipo@axiscap.in **Website**: www.axiscapital.co.in **Investor grievance e-mail**: complaints@axiscap.in **Contact person**: Simran Gadh **SEBI registration no.**: INM000012029	**Link Intime India Private Limited** C101, 247 Park L.B.S. Marg Vikhroli (West) Mumbai - 400 083 **Telephone**: +91 22 4918 6200 **Investor grievance email**: chemspec.ipo@linkintime.co.in **Email**: chemspec.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact person**: Shanti Gopalkrishnan **SEBI registration no.**: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSES ON	[●]**

**Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company and the Selling Shareholders in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Possible Special Tax Benefits", "Industry Overview", "Basis for the Offer Price", "Key Regulations and Policies in India", "Restated Financial Statements" and "Outstanding Litigation and Other Material Developments", on pages 314, 85, 88, 82, 146, 181 and 272 will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
our Company / the Company / the Issuer / we / us / our	Chemspec Chemicals Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Plot No. 3-C, MIDC Taloja, Tal- Panvel, District - Raigad, Navi Mumbai - 410 208, Maharashtra, India

Company and Selling Shareholder related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, described in "*Our Management*" on page 153
Auditors/ Statutory Auditors	Statutory auditors of our Company, being Singhi & Co., Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time
BACS LLP	Bhaichand Amoluk Consultancy Services LLP
Chairman and Independent Director	Chairman and independent director of our Company, Prakash Mehta
Chief Financial Officer/ CFO	Chief financial officer of our Company, Navaneet Krishnan
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Bharatkumar Dama
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in "*Our Management*" on page 153
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹2 each
Executive Director(s)	Executive Directors of our Company, Rushabh Vora, Rajinder Harkara and Priya Vora
Independent Directors	Independent directors of our Company, Prakash Mehta, Chetan Desai, Aditya Kapadia and Girija Balakrishnan
IPO Committee	The IPO committee of our Board constituted to facilitate the Offer, comprising of Rushabh Vora, Priya Vora and Mitul Vora
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in "*Our Management-Key Managerial Personnel*" on page 168
Materiality Policy	The policy adopted by our Board on July 13, 2021, for identification of material: (a) outstanding litigation proceedings; (b) Group Company; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
Managing Director	The managing director of the Company, Rushabh Vora

Term	Description
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in "*Our Management*" on page 153
Non-Executive Director	A Director not being an Executive Director of our Company
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in "*Our Promoters and Promoter Group*" on page 171
Promoters	The Promoters of our Company, being Jayant Vora, Mitul Vora, Rushabh Vora and BACS LLP. For details, see "*Our Promoters and Promoter Group*" on page 171
Registered and Corporate Office	The registered and corporate office of our Company, situated at Plot No. 3-C, MIDC Taloja, Tal-Panvel, District - Raigad, Navi Mumbai - 410 208
Restated Financial Statements	The restated consolidated financial information of our Company, its associate and its joint venture, comprising the restated consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, and the restated consolidated summary statement of profit and loss (including other comprehensive income), the restated consolidated summary statement of changes in equity, the restated consolidated summary statement of cash flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary statement of significant accounting policies and other explanatory information thereon derived from audited consolidated financial statements as at and for the year ended March 31, 2021 and audited special purpose consolidated financial statements as at and for the years ended March 31, 2020 and March 31 2019 prepared in accordance with Ind AS and restated in accordance with, the requirements of (a) section 26 of Part I of Chapter III of the Companies Act, 2013, (b) the SEBI ICDR Regulations and (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, included in "*Financial Information*" on page 181
RoC/Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders Relationship Committee	The stakeholders' relationship committee of our Company, described in "*Our Management*" on page 153
Selling Shareholders	The Selling Shareholders participating in the Offer, being BACS LLP, Mitul Vora, and Rushabh Vora
Whole-time Director(s)	Whole-time Directors of our Company, Rajinder Harkara and Priya Vora

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 296
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Term	Description
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●] (a widely circulated Marathi daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations Our Company and the Selling Shareholders, in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and [●] editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located
Bid/ Offer Period	Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer namely, JM Financial Limited and Axis Capital Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members, and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.

Term	Description
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by Retail Individual Investors (Bidding using the UPI Mechanism) where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs. In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the ASBA Forms to CRTAs. The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction. do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated July 14, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid

Term	Description
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI
JM	JM Financial Limited
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Offer less Offer expenses. For details in relation to use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 80
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer/ Offer for Sale	The initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹7,000.00 million comprising of the Offer for Sale of up to [●] Equity Shares by BACS LLP aggregating up to ₹2,334.00 million, [●] Equity Shares by Mitul Vora aggregating up to ₹2,333.00 million and up to [●] Equity Shares by Rushabh Vora up to ₹2,333.00 million
Offer Agreement	The agreement dated July 14, 2021 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	₹[●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.
Offered Shares	The cumulative number of Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to [●] Equity Shares aggregating up to ₹7,000 million

Term	Description
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares aggregating to ₹[●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Bid/Offer Opening Date shall be at least three Working Days after the filing of the Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated July 14, 2021 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer
Registrar to the Offer/ Registrar	Link Intime India Private Limited
Retail Individual Investors(s)/ RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares aggregating to ₹[●] million, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations (subject to valid Bids being received at or above the Offer Price)

Term	Description
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Share Escrow Agent	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RIIs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●]
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI

Term	Description
UPI Mandate Request	A request (intimating the Retail Individual Investor, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
A/c	Account
AGM	Annual general meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996
Depository or Depositories	NSDL and CDSL
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
EUR/ €	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations

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 of India
GST	Goods and services tax
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IGAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards Amendment) Rules, 2016 (as amended)
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
IPO	Initial public offer
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India.
Mn/ mn	Million
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA
No.	Number
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a state of India
US GAAP	Generally Accepted Accounting Principles in the United States of America
USA/ U.S. / US	The United States of America
USD / US$	United States Dollars
U.S. Securities Act	United States Securities Act of 1933, as amended
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical and Industry Related Terms

Term	Description
ACE	Angiotensin-converting enzyme
APIs	Active pharmaceutical ingredients
ARBs	Angiotensin receptor blockers
ATP15	Adaptation to Technical Progress, being the harmonised classification and labelling of hazardous substances issued yearly by the European Union
BP	Blood pressure
CMR	Carcinogenic, mutagenic, reprotoxic substances
CV	Cardiovascular
DNA	Deoxyribonucleic acid
EHT	Etazolate
F&S	Frost and Sullivan
F&S Report	Report titled "*Independent Market Report – India Chemicals and Speciality Chemicals Market Report*" dated July 14, 2021 issued by Frost and Sullivan
FMCG	Fast moving consumer goods
FSD	Folliculitis spinulosa decalvans
HPAPI	High potency active pharmaceutical ingredients
KSM	Key starting material
MIDC	Maharashtra Industrial Development Corporation
MTA	Metric tonnes per annum
PBSA	Phenyl benzimidazole Sulfonic Acid
R&D	Research and development
Sartans	Class of medicines known as angiotensin II receptor blockers, typically used to treat hypertensive and cardiovascular disorders
TPA	Tonnes per annum
TTBB	1-Triphenyl Methyl -5-[4'-(bromomethyl){1,1-biphenyl }2-yl]-tetrazole
US FDA	United States Food and Drug Administration
UV	Ultraviolet
UV-B	Ultraviolet B rays
TCC	Trichlorocarbanilide
ZPT	Zinc pyrithione

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" 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.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus is derived from our Restated Financial Statements. For further information, see "*Financial Information*" on page 181.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year. Certain other financial information pertaining to our Group Company is derived from its audited financial statements.

Restated Financial Statements and transition from Indian GAAP to Ind AS

Our Restated Financial Statements have been compiled from (i) our audited financial statements as at and for the year ended March 31, 2021, prepared in accordance with Ind AS; and (ii) our audited financial statements as at and for the Fiscals ended March 31, 2020 and 2019 prepared in accordance with Indian GAAP.

Further, in order to comply with the requirements of the SEBI ICDR Regulations, our audited financial statements as at and for the Fiscals ended March 31, 2020 and March 31, 2019, which were prepared in accordance with Indian GAAP, were subjected to a special purpose audit as per Ind AS by our Statutory Auditors, in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI.

Our Restated Financial Statements have been prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

Non-GAAP Financial Measures

Certain non-GAAP and certain other statistical information relating to our operations and financial measures relating to our financial performance such as, EBITDA, net worth, net asset value per share and debt equity ratio have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 21, 135 and 257, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Independent Market Report – India Chemicals and Speciality Chemicals Market Report*" dated July 14, 2021 prepared by Frost and Sullivan ("**F&S Report**") and publicly available information as well as other industry publications and sources. The F&S Report has been commissioned by our Company. The F&S Report is subject to the following disclaimer:

*"This independent market research study "India Chemicals and Specialty Chemicals Market Report" has been prepared for the proposed initial public offering of equity shares by Chemspec Chemicals Limited (the "**Company**").*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

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

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodology in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors - Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. Neither we, nor the BRLMs, nor any other person connected with the offer independently can assure that such third-party statistical, financial and other industry information is either complete or accurate."* on page 42.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 82 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information.

Currency and Units of Presentation

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

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

All references to "*€*" or "*EUR*" are to the Euro, which is the monetary unit and currency of the European Union.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in million. In this regard, please note: (a) One million is equal to 10,00,000/10 lakhs; and (b) 10 million is equal to one crore/100 lakhs.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Exchange Rates

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

The exchange rates of USD into Indian Rupees for the periods indicated are provided below.

(in ₹)

Currency	**Exchange rate as on**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019** (1)
1 USD	73.50	75.39	69.17
1 EUR	86.09	83.05	77.70

Source: www.rbi.org.in and www.fbil.org.in

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

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "will continue", "seek to", "will achieve", "will likely", "will pursue" 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. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, 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 domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

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

- Our business being dependent on our manufacturing facility, occurrence of any unscheduled, unplanned or prolonged disruption of our manufacturing operations or shutdown of our manufacturing facility.
- The success of our business being dependent on the success of our customers' products with end consumers, any decline in demand for the end products in which our speciality chemicals are used.
- Decrease in the utility of our products from industries that we supply to may have an adverse impact on our business, growth and results of operations.
- The loss of one or more of our customers from whom we derive a significant portion of our revenue, the deterioration of their financial condition or prospects, or a reduction in their demand for our products.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 21, 135 and 257, respectively. By their nature, certain market risk disclosures are estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

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.

Neither our Company, the Directors, the Selling Shareholders, nor the Book Running Lead Managers, or the Syndicate or any of their respective affiliates 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 and each of the Selling Shareholders (in respect of statements/ disclosures made by them in this Draft Red Herring Prospectus) with respect to themselves and the Equity Shares offered by them in the Offer shall, severally and not jointly, ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of Offer, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Industry Overview", "Our Business", "Capital Structure", "The Offer", "Restated Financial Statements", "Objects of the Offer" "Our Promoter and Promoter Group", "Management's Discussions and Analysis of Financial Position and Results of Operations" and "Outstanding Litigation and Other Material Developments" on pages 21, 88, 135, 70, 56, 181, 80, 171, 257 and 272 respectively of this Draft Red Herring Prospectus.

Primary business of our Company

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs. We are one of the largest manufacturers of UV absorbers globally and are among the top two global manufacturers of personal care ingredients catering to skin and hair care (*Source: Frost & Sullivan Report*). We manufacture our products at our production facility at Taloja, Maharashtra, and our global distribution network in the last three Fiscals was spread across 43 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa.

Summary of industry in which the Company operates

The global chemicals market is expected to grow at 6.2% CAGR; reaching USD 6,780 billion by 2025. The Indian chemicals market is valued at USD 166 billion (approximately 4% share in the global chemical industry) with the commodity chemicals accounting for almost 46% of such share. The specialty chemical industry forms approximately 47% of the domestic chemical market, which is expected to grow at a CAGR of around 11 to 12% over the same period. Pharmaceutical API make up for the second largest share of around 20% of the specialty chemical market with an anticipated growth of over 11% by 2025 (forecast) *(Source: Frost & Sullivan Report)*.

Name of Promoters

As on the date of this Draft Red Herring Prospectus, Jayant Vora, Mitul Vora, Rushabh Vora and BACS LLP are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" at page 171.

The Offer

Offer [1]	Up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹7,000.00 million
of which	
Offer for Sale [2]	Up to [●] Equity Shares, aggregating up to ₹7,000.00 million (comprising up to [●] Equity Shares aggregating up to ₹2,334.00 million by BACS LLP, up to ₹2,333.00 million by Mitul Vora and up to [●] Equity Shares aggregating up to ₹2,333.00 million by Rushabh Vora)

1 *The Offer has been authorized by a resolution of our Board dated July 13, 2021.*

2 *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 277.*

The Offer shall constitute [●]% of the post-Offer paid up equity share capital of our Company.

For further details, see "*The Offer*" and "*Offer Structure*" on pages 56 and 293, respectively.

Objects of the Offer

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to [●] Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India. For further details, see "*Objects of the Offer*" on page 80.

Aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders

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

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the pre-Offer paid up equity share capital
Promoters (A)			
1.	Jayant Vora	10,763,346	21.39
2.	Mitul Vora	7,413,850	14.73
3.	Rushabh Vora	7,859,000	15.62
4.	BACS LLP	24,293,300	48.27
Total (A)		**50,329,496**	**100.00***
Promoter Group (B)			
5.	Priya Vora	1	*Negligible*
6.	Varun Vora	1	*Negligible*
7.	Aryan Vora	1	*Negligible*
8.	Rohan Vora	1	*Negligible*
Total (B)		**4**	*Negligible*
Total (A+B)		**50,329,500**	**100.00***

*****Subject to the impact of rounding off to two decimal places*

(b) The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up equity share capital of our Company is set out below:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares held	Percentage of the pre-Offer paid up equity share capital
1.	BACS LLP*	24,293,300	48.27
2.	Mitul Vora*	7,413,850	14.73
3.	Rushabh Vora*	7,859,000	15.62
Total		**39,566,150**	**78.62**

* *Promoters of our Company.*

For further details, see "*Capital Structure*" at page 70.

Summary of Financial Information

A summary of the financial information of our Company as per the Restated Financial Statements is as follows:

(in ₹ million)

Particulars	As at and for the Fiscal ended		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Equity Share Capital	100.66	3.47	4.47
Net worth	1,833.34	1,022.53	584.75
Revenue from operations	5,059.12	5,966.08	3,259.78
Total income	5,103.39	6,070.10	3,352.60
Profit/ (loss) for the year	810.83	607.46	51.15
Earnings per Equity Share			
- Basic	16.11	10.40	0.79
- Diluted	16.11	10.40	0.79
Net asset value per Equity Share	36.43	20.32	9.02
Total borrowings (as per balance sheet)	92.50	508.50	944.60

(1) *Net worth means aggregate of equity share capital and other equity.*

(2) *Net asset value per Equity Share represents total equity as at the end of the Fiscal, as restated, divided by the number of Equity Shares outstanding at the end of the year.*

(3) *Net asset value per share and the basic and diluted EPS have been calculated after giving effect to the bonus issue in the ratio of 28 equity shares for every one equity share held and the sub-division of the equity shares of our Company of face value of ₹100 into 50 equity shares of face value of ₹2 each from the beginning of the period i.e. from April 1, 2018. For further details, see "Other Financial Information" on page 254.*

For further details, see "*Restated Financial Statements*" on page 181.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Statements or emphasis of matters

Our Statutory Auditors have not made any qualifications which have not been given effect to in the Restated Financial Statements or any emphasis of matters.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Directors and our Promoters as on the date of this Draft Red Herring Prospectus is provided below. As on date of this Draft Red Herring Prospectus, there are no outstanding litigations involving our Group Company, which may have a material impact on our Company.

Particulars	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Litigation involving our Company		
Direct Tax Proceedings	3	2.39
Litigation involving our Promoters		
Direct tax proceedings	3	502.60
Criminal proceedings	1	Not quantifiable
Litigation involving our Directors		
Criminal proceedings	2	Not quantifiable
Statutory or regulatory proceedings	1	Not quantifiable

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Other Material Developments*" on page 272.

Risk factors

Specific attention of Investors is invited to the section "*Risk Factors*" on page 21. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities of our Company

A summary table of our contingent liabilities as of March 31, 2021 as disclosed in the Restated Financial Statements, is set forth below:

(in ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 (Proforma)
Claims against our Company not acknowledged as debts towards -			
Disputed income tax claims against our Company not acknowledged as debts, currently awaiting the filing of an appeal under "penalty proceedings on account of disallowance under Section 35(2AB)" for accounting year 2018 – 19	1.62	-	-
Disputed income tax claims against our Company not acknowledged as debts, which are currently under appeal/sub-justice - Penalty proceedings on account of disallowance under Section 35(2AB) for the accounting year 2017-18	0.63	-	-
Disputed income tax claims against our Company not acknowledged as debts, which are currently under appeal/sub-justice - Penalty proceedings on account of disallowance under Section 35(2AB) for the accounting year 2014-15	0.14	-	-
Litigations / claims against our Company by landowner			
The landlord of our Company's Vikhroli office has sent a demand for arrears of rent, which our Company has not acknowledged as a debt	0.74	0.74	0.74
Commitments			
Guarantee given by bank	7.24	6.84	1.35
Estimated amount of contracts remaining to be executed on capital account	2.23	31.11	8.65

For further details, see "*Restated Financial Statements – Note 37*" at page 243.

Related party transactions

A summary of related party transactions entered into by our Company with related parties and as reported in the Restated Financial Statements is set forth below.

(in ₹ million)

Nature of transaction	Fiscal 2021	Fiscal 2020	Fiscal 2019
Remuneration to KMPs (including value of perquisites)	29.22	21.99	19.46
Long term employee benefits- Compensated absences	-	0.05	1.17
Rent paid to KMPs	2.80	-	-
Dividend paid (excluding dividend distribution tax)	-	14.74	0.70
Payment towards expenses	1.26	1.01	1.26
Receipt on sale of Investments	9.36	-	-
Investments (year-end outstanding balance)	-	25.76	53.78
Reimbursable Income / (Expense) Net (year-end outstanding balance)	0.08	0.06	0.06
Director's remuneration payable	-	-	0.72

For further details, see "*Restated Financial Statements - Related Party Transactions*" at page 237.

Financing arrangements

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

Weighted average price at which the Equity Shares were acquired by each of our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares have been acquired by our Promoters and the Selling Shareholders, in the one year preceding the date of this Draft Red Herring Prospectus is provided below.

Name of Promoter / Selling Shareholder#	Number of Equity Shares acquired^	Weighted average price per Equity Share (₹)
Jayant Vora	10,392,200	Nil
Mitul Vora*	7,158,200	Nil
Rushabh Vora*	7,588,000	Nil
BACS LLP*	23,455,600	Nil

#Pursuant to the certificate dated July 14, 2021 from Singhi & Co., Chartered Accountants.
^ After giving effect of sub-division of equity shares of face value of ₹100 each into 50 Equity Shares of face value of ₹2 each as approved by the Shareholders on March 30, 2021
** BACS LLP, Mitul Vora and Rushabh Vora, Promoters of our Company, are also participating in the Offer for Sale as Selling Shareholders.*

Average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders

The average cost of acquisition of equity shares by our Promoters and the Selling Shareholders, as at the date of this Draft Red Herring Prospectus, is:

Name of Promoter / Selling Shareholder#	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)#
Jayant Vora	10,763,346	0.07
Mitul Vora*	7,413,850	0.07
Rushabh Vora*	7,859,000	0.07
BACS LLP*	24,293,300	0.07

** BACS LLP, Mitul Vora and Rushabh Vora, Promoters of our Company, are also participating in the Offer for Sale as Selling Shareholders.*
#Pursuant to the certificate dated July 14, 2021 from Singhi & Co., Chartered Accountants.

Details of pre-IPO placement

Our Company does not contemplate any issuance or placement of Equity Shares as a pre-IPO placement, from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

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

Except for the allotment of equity shares on March 27, 2021 pursuant to bonus issue, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

For details, see "*Capital Structure - Share capital history of our Company*" on page 70.

Split or consolidation of Equity Shares in the last one year

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

Date of split	Particulars
March 30, 2021	Pursuant to a resolution passed by our Shareholders on March 30, 2021, our Company sub-divided the face value of its equity shares from ₹100 each into 50 Equity Shares of ₹2 each. Further, the cumulative number of issued, subscribed and paid-up Equity Shares pursuant to sub-division is 50,329,500 Equity Shares of face value of ₹2 each.

For details, see "*Capital Structure - Share capital history of our Company*" on page 70.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section, may not be exhausting or are not the only risks that are relevant to us, the Equity Shares or the industry segment in which we currently operate. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may arise or may become material and also have an adverse impact on our business, cash flows, financial condition and results of operations. Further, the financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Draft Red Herring Prospectus.

If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows, prospects and financial condition may be adversely affected, the price of the Equity Shares could decline, and you may lose all or part of your investment. Further, some events may be material collectively.

In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Offer. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Restated Financial Statements", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Key Regulations and Policies" on pages 88, 135, 181, 257 and 146, respectively, of this Draft Red Herring Prospectus, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Prospective investors should pay particular attention to the fact that we are subject to extensive regulatory environments that may differ significantly from one jurisdiction to another.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements. For further details, please see "Restated Financial Statements" on page 181.

This Draft Red Herring Prospectus 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 various factors, including the considerations described in this section and elsewhere in this Draft Red Herring Prospectus. See "Forward Looking Statements" on page 15 of this Draft Red Herring Prospectus.

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Independent Market Report – India Chemicals and Speciality Chemicals Market Report" dated July 14, 2021 (the "Frost & Sullivan Report") prepared and released by Frost & Sullivan and commissioned by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the Frost & Sullivan Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "– Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. Neither we, nor the BRLMs, nor any other person connected with the offer independently can assure that such third-party statistical, financial and other industry information is either complete or accurate." on page 42. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 13.

INTERNAL RISKS

1. ***Our business is dependent on our manufacturing facility and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations or shutdown of our manufacturing facility may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations.***

    Our manufacturing operations are based out of a single manufacturing facility at Taloja in Maharashtra, India. Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facility, which is subject to operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, localised social unrest and natural disasters. In the event there are any disruptions at our manufacturing facility, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, could reduce our ability to meet the conditions of our contracts, manufacture our products and adversely affect sales and revenues from operations in such period. In addition to the loss as a result of such fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. For instance, due to the COVID-19 pandemic, operations at our manufacturing facility was temporarily suspended for a period of seven days during March 24, 2020 to March 30, 2020. Further, any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing facility may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. For instance, our manufacturing operations and processes are subject to audit by the United States Food and Drug Administration ("**US FDA**"), with the last audit having taken place in February of 2017. In the event, our processes and operations are found to be deficient during such audits, it may result in our accreditation being suspended or revoked. Additionally, as a manufacturer of critical chemical additives, it is imperative for our products to be approved and certified by our customers, some of whom have in the past conducted audits of our manufacturing processes, and may undertake similar audits periodically in the future. Customers typically select suppliers after a process of acute review and tend to develop long-term relationships with a limited number of suppliers (*Source: Frost & Sullivan Report*). If we are unable to meet the standards and quality requirements of our customers, it may result in loss of business and may materially affect our profitability, business and financial condition.

Further, certain raw materials that we use are flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. Any failure in handling these raw materials appropriately, or any mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and/or environmental damage. For instance, on April 13, 2013, a fire broke out at our manufacturing facility at Taloja, caused due to excessively hot weather which ignited the methanol, a highly flammable chemical, stored at our facility. The fire resulted in severe damage to our property and our manufacturing facility. In case any such accidents occur in the future, our operations could be severely affected and could have a material and adverse effect on our business, financial condition and results of operations.

We also cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our manufacturing facility, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations. In the event of prolonged interruptions in the operations of our manufacturing facility, we may have to import various supplies and products or purchase them locally in order to meet our obligations towards customers, which could affect our profitability, business and financial condition.

2. ***The success of our business depends on the success of our customers' products with end consumers. Any decline in demand for the end products in which our speciality chemicals are used would have a material adverse effect on our business, financial condition and results of operations.***

The speciality chemicals manufactured by us are used in manufacture of sunscreen lotions and creams, anti-bacterial soap, anti-dandruff shampoo. We also manufacture intermediates for anti-hypertension API. For details of our products, see "*Our Business – Our Products*" on page 139. For Fiscals 2021, 2020 and 2019, our revenue from the FMCG sector contributed 86.67%, 88.88% and 89.76%, respectively, of our revenue from operations during such periods and our revenue from the pharmaceuticals sector contributed 13.33%, 11.12% and 10.24%, respectively, of our revenue from operations during such periods. Our commercial success also depends to a large extent on the success of our customers products with end consumers, therefore, our sales may be adversely affected by any downturn in sales of such industries or specifically, our customer's products. Such downturn in sales of our customer's end products may occur due to a number of reasons, which include (a) a general shift in end-customer preferences, (b) the invention of more advanced alternatives at the end product level, and (c) downturn in the economy, which may deter, to some extent, end consumers from purchasing skincare and haircare products. Further, the success of the end products manufactured by our customers depends on our and the ability of our customers to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. Occurrence of any of such events or other events that acutely affects the sales of our customer's end products would have a material and adverse effect on our business and results of operations.

3. ***The continuing impact of the outbreak of the COVID-19 could have a significant effect on our operations, and could negatively impact our business, revenues, financial condition and results of operations.***

On January 30, 2020, the World Health Organisation declared the novel coronavirus ("**COVID-19**") outbreak a Public Health Emergency of International Concern and on March 11, 2020, it was declared a pandemic. Between January 30, 2020 and the date of this Draft Red Herring Prospectus, the COVID-19 pandemic has spread to many other countries, with a large number of reported cases and related deaths. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and from time to time, closure of non-essential businesses. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak and the discovery of new strains of the coronavirus, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions.

The rapid spread of COVID-19 and the global health concerns relating to this outbreak have had a severely adverse impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are uncertain and cannot be predicted. While India and several countries around the world has commenced the distribution of government-certified vaccines, there is no certainty of the effectiveness of such vaccination drive. The COVID-19 pandemic and government actions to contain it have weighed heavily on global and national economic conditions, have significantly increased economic uncertainty, and have reduced economic activity. The extent of the resulting impact on our business and results of operations will depend, among other things, on the duration and severity of the pandemic, the nature and scope of government actions to contain it, including the success of the vaccines and the pace of the vaccination drives, and the potential impact on global and national economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges). The COVID-19 pandemic and related volatility in financial markets and deterioration of national and global economic conditions could affect our business and operations in a variety of ways.

Although we had to temporarily cease our production activities by shutting down our manufacturing facility at Taloja for a period of seven days from March 24, 2020 to March 30, 2020, since the manufacturing of pharmaceutical intermediates was classified as an 'essential service' by the state government, our operations were not severely impacted on account of the lockdown. We have since then implemented greater safety procedures and requirements at our manufacturing facility to meet the government's requirement on sanitisation and social distancing. However, due to limited availability of labour, logistics and supply chain constraints, our manufacturing facility was initially operating at sub-optimal capacity utilization. Accordingly, our results of operations were negatively impacted. Subsequently, our capacity utilization has improved, raw material suppliers have resumed operations and supply and logistics have become more regular. In addition, we have adopted an energy conservation policy aimed at monitoring fixed costs and improving productivity. In addition, the spread of COVID- 19 has caused us to modify our business practices and implement significant proactive measures to protect the health and safety of our employees, and we may take further actions as may be required by government authorities or as we determine appropriate under the circumstances. There is no certainty that such measures will be sufficient to mitigate the risks posed by the pandemic.

The scale of the pandemic and the extent to which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, may differ significantly from our historical rates, and our future operating results may fall below expectations. The impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- our ability to travel, interact with potential customers, pursue partnerships and other business transactions;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed;
- our inability to access debt and equity capital on acceptable terms, or at all;
- delays in orders or delivery of orders, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Further, we generate our revenues from different geographies due to exports. The effects of COVID-19 in India and the geographies we operate in may last for different duration or have different magnitude in different countries which may make it difficult for us to normalise the operations.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether.

4. ***Decrease in the utility of our products from industries that we supply to may have an adverse impact on our business, growth and results of operations.***

As the success of our business is completely dependent on the demand from the FMCG and pharmaceuticals industries, any reduction in the utility of our products to such industries, including due to the emergence of cost effective and more efficient alternatives and the shift of the practice in these industries towards developing substitutes of our products in-house, may have an adverse impact on the demand for our products. Further, there can be no assurance that the lack of demand from any one of these industries can be off-set by sales to other industries in which our products find application. Further, the demand for our products may decline due to the increase in competition, regulatory action, pricing pressures and/or fluctuations of demand and supply. If our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their products at lower price, we may not be able to reduce our gross margin to retain customers by offering our products at lower prices. Our failure to effectively react to these situations or to successfully introduce new products or new applications, under such circumstances, could adversely affect our business, prospects, results of operations and financial condition.

5. ***We derive a significant portion of our revenue from a few customers and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products may adversely affect our business, results of operations, financial condition and cash flows.***

While we typically have long term relationships with our customers, we do not enter into long term arrangements with our customers. The success of our business is accordingly significantly dependent on our maintaining good relationships with our customers. While we have had in the past and continue to have a large customer base, we are dependent on a limited number of customers for a significant portion of our revenue. In Fiscals 2021, 2020 and 2019, our top five customers of the following product group, contributed (a) 50.36%, 53.15% and 56.57%, respectively, to the revenue from the FMCG sector, and (b) 69.08%, 68.75%, and 72.21%, respectively, to the revenue from the pharmaceuticals sector. While we enter into formal agreements with our customers, with the term of such agreements typically not exceeding one year, loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

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

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. In Fiscals 2021, 2020 and 2019, our cost of raw materials consumed constituted 64.84%, 65.52% and 71.82%, respectively, of our total expenses. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemics, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. we do not typically enter into long-term agreements with our suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations.

Further, we procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

Additionally, there can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms. For additional details of the raw materials, see "*Our Business- Manufacturing process*" on page 141.

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability may adversely affect our operations. The production process of certain products, as well as the storage of certain raw materials and products in temperature controlled environments requires significant power. Although we have diesel generators to meet exigencies at our manufacturing facility at Taloja, we cannot assure you that our facility will be operational during power failures or when faced with a shortage of water supply. Any failure on our part to obtain alternate sources of electricity or water, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

Further, any increase in raw material prices may result in corresponding increases in our product costs. While we typically sell our products to our customers on a short-term contracts basis, given that we have long term relationships with many of our customers, our ability to pass on any increases in the costs of raw materials and other inputs to our customers may be limited. There may be a significant difference in the price of raw materials when raw materials are ordered and paid for and the prevailing price when the raw materials are received and we may not be able to pass on the difference in the prices to our customers. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial conditions.

7. ***We are subject to, and our performance is highly dependent on, the regulatory policies and approvals of the markets in which we operate. Any adverse change in regulatory requirements governing our products and the products of our customers, may adversely impact our business, prospects, results of operations and financial condition.***

We are subject to the governmental regulations in the geographies and markets where we operate, including India, North America, Europe, the APAC region (including Japan), the Middle East and Africa. Both before and after a product's release, we have ongoing obligations to regulatory authorities, such as the accreditation requirements of the United States Food and Drug Administration ("**US FDA**"), the compliance requirements under the European Union's REACH legislation, and the requirements for obtaining 'Halal' certification for our products. Our manufacturing facility and products are subject to periodic auditing processes by regulatory and/or third party agencies to meet the relevant requirements and standards of the countries where we market and sell our products. Such periodic audit ensures that the regulators or certifying authorities are able to confirm the continuance of quality of our facility and processes. Regulatory agencies may at any time inspect our manufacturing facility or the quality of our products based on newly developed scientific knowledge and/or tools. If any inspection or quality assessment results in observations/alerts or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction, which could adversely affect our business, financial condition and results of operations.

The cost of complying with such governmental regulations may likewise be substantial. Governmental authorities in the U.S., Europe, India and other countries regulate the research, development, manufacture, testing, storage, recordkeeping, approval, labelling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, import and export of products. Failure to comply with applicable regulatory requirements may subject us to a variety of administrative or judicial sanctions, refusal to approve pending applications, clinical holds, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, withdrawal of product from the market, injunctions, fines, civil penalties and criminal prosecution. Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the laws governing the manufacturing of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. We may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with such changes or additional regulatory requirements.

If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Further, changes in regulatory requirements, may result in our customers being unable to utilise our products for manufacturing their respective products. There is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, prospects, results of operations and financial condition. Although we devote significant time, effort and expense to addressing the extensive government regulations applicable to our business and obtaining regulatory approvals, we remain subject to the risk of being unable to obtain necessary approvals or retain or renew them on a timely basis or at all. Delays in receiving regulatory approvals may result in a material adverse effect on our ability to market our products, our business, financial condition and results of operations.

8. ***We are subject to quality requirements and strict technical specifications and audits by our customers. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospectus and results of operations.***

We manufacture and supply specialty chemicals and are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). Given the nature of our products, our customers have high standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to cancellation of the orders placed by our customers.

Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill. Additionally, prior to placing the orders, there is a detailed audit and review process that is undertaken by certain customers (which may be undertaken multiple times over a period of time). Our manufacturing facility is also subject to periodic audits by our customers. This may involve inspection of the manufacturing facility, review of the manufacturing processes, review of the raw materials, review of our financial capabilities, technical review of the specification of the proposed product, review of our logistical capabilities, and reviews of our product. The product delivered by us is further subject to laboratory validation by certain customers. As per the arrangements entered into with certain customers, in the event our products do not comply with the specifications provided by the customer or in the event of a product recall, our supplies may be rejected, which may in turn result in a materially adverse impact on our business, financial conditions and results of operations.

We are therefore subject to a stringent quality control mechanism at various stages of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems, forming a separate team responsible for quality and assurance both in the manufacturing facility and machineries, and in the manufacturing processes. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control, a failure of which may negatively impact our profitability.

Any failure on our part to meet the expectations of our clients and to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and our customers may choose to source their requirements from our competitors. We may also be required to reimburse our customer for any losses suffered as a result of our non-compliance. The occurrence of such events could have an adverse effect on our business, results of operations, financial condition and cash flows.

9. ***We do not have long-term agreements with most of our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows. Further, our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.***

We require certain raw materials such as process phenol derivatives, isobutylene derivatives, benzene and aniline derivatives, cresol derivatives, etc., for our manufacturing operations. Substantially all our raw materials are purchased from third parties. We typically do not enter into long-term supply contracts with any of our suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to *inter alia* the international scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We typically do not enter into long-term agreements with most of our customers. While we enter into formal agreements with our customers, with the term of such agreements typically not exceeding one year, our relationship with our customers is on an non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. Therefore, we cannot assure that we will receive repeat orders from our customers in the future. Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in the cancellation or non-renewal of contracts. There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of raw materials and other input costs; (b) changes in consumer preferences; (c) changes in governmental or regulatory policy, etc. Any of these factors may have an adverse effect on our business, results of operations and financial condition. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to these customers in the future. If we overestimate demand, we may incur costs to purchase more raw materials and manufacture more products than required.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity; in which case we would be forced to incur a loss.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. We may fail to maintain the requisite inventory, which may adversely impact our ability to deliver products to customers in a timely manner which may lead to loss of revenues or customers. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

10. ***Our manufacturing facility is located in a single region and any adverse developments affecting this region could adversely affect our business, results of operations and financial condition.***

Our manufacturing operations are based out of a single manufacturing facility at Taloja in Maharashtra, India. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in this region, or changes in the policies of the state or local governments of this region or the Government of India, may require us to suspend our operations, either temporarily or permanently, incur significant capital expenditure and change our business strategy. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations and financial condition.

11. ***A significant portion of our revenues and expenses are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations.***

We have material exposure to foreign exchange related risks since a significant portion of our revenue from operations are in foreign currencies. In the last three Fiscals we have had customers across 43 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa. In Fiscals 2021, 2020 and 2019, our revenue from exports of manufactured products contributed 67.39%, 63.99% and 62.61%, respectively, of our revenue from operations (sale of products). We may, suffer losses on account of foreign currency fluctuations in our exports, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our consumers.

Similarly, a significant portion of our expenses, including cost of imported raw material and expenditure on importing certain equipment, are denominated in currencies other than Indian Rupees. In Fiscals 2021, 2020 and 2019, expenses in foreign currency accounted for 11.10%, 17.26% and 23.96%, respectively of our total expenses in such periods.

Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. While we have forex management systems in place and from time to time avail forward cover to minimise the foreign exchange related risks, we may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. While we selectively enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

12. ***Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.***

We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand our operations. Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategies or growth plans or complete them within the budgeted cost and timelines.

We currently intend to *inter alia* expand and optimise our product offerings, increase our global footprint and augment sales in current geographies and continue our focus on research and development. Such strategies are subject to certain risks and uncertainties. For further details in relation to such strategies see "*Our Business - Our Strategies"* on page 139.

Expansion of operations increases the challenges involved in *inter alia* making accurate assessments of the resources we require, acquiring new customers and increasing or maintaining contribution from existing customers, procuring raw materials at a cost-effective manner, recruiting, training and retaining sufficient skilled personnel, maintaining high levels of customer satisfaction and adhering to expected performance and quality standards.

Pursuant to changes in market conditions, industry dynamics, technological improvements, changes in regulatory or trading policies or changes therein and other relevant factors, our growth strategies and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans in the future.

Further, as we grow, we may encounter additional challenges to our global network supply chain, internal processes, financing capabilities and regulatory compliance. Our existing operations, personnel, systems and internal controls may not be adequate to support our growth and may require us to make additional unanticipated investments in our infrastructure. To manage the future growth of our operations, we will be required to improve our administrative, operational and financial systems, procedures and controls, and expand, train and manage our growing employee base.

Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

13. ***If our research and development efforts do not succeed, we may not be able to improve our existing products and/or introduce new products, which could adversely affect our results of operations, growth and prospects.***

For a company engaged in the manufacture of speciality chemicals, which includes complex chemistries, R&D is a necessary component of business and corporate success and growth. In order to remain competitive, we must develop, test and manufacture new products in relation to our business and product lines which meet regulatory standards in the jurisdictions that we operate in, and receive requisite regulatory approvals along with meeting the specifications mandated by our customers. Further, we have established a "pilot plant" at the same site, which enables trial runs of new production processes and products prior to commencement of commercial production. We believe that our focus on product innovation through continuous research and development has been critical to the growth of our business and has improved our ability to customize our products for our customers. We review the performance of our existing products and the manufacturing processes and take necessary actions to improve functionality and/or efficiency and also identify potential products based on inputs from the business development teams. To accomplish this, we commit substantial effort, funds and other resources towards our research and development activities. We have a dedicated in-house R&D team, which focuses on product development across segments. For further details, see "*Our Business – Competitive Strengths - Continuous R&D and process improvement to drive product development"* on page 138. However, we cannot assure you that in the future, we will be able to successfully make timely and cost-effective enhancements and additions to our current research and development team and technological infrastructures.

The process of developing new products takes a significant amount of time and investment from the stage of identification till the launch of the product. Research and development in the specialty chemicals industry may be expensive and prolonged and entails considerable uncertainty as to its returns and results. At any point in time due to either failure of a particular step or commercial unviability of our product, the research and development activities related to such product may be suspended or discontinued. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. There can be no assurance that our expenditure on research and development activities will yield proportionate results of substantial commercial value or commercially viable products may be developed or launched as a result of such research and development activities.

Further, products developed as a result of our research and development activities will only be profitable if they can be commercialized. Before we can commercialize a new product, we must also simultaneously scale up our production to increase or change our production capacity. Our ability to successfully introduce new and innovative products also depends on our ability to adapt and invest in new technologies. There can be no assurance that we will be able to scale up our production or make timely investments in technological improvements in order to commercialize new products in a timely manner. Failure to predict and respond effectively to this competition could render our existing, new or candidate products less competitive in terms of price and quality. Delays or failure in developing new or commercially viable products could adversely affect our business, financial condition and results of operations.

14. ***Information relating to the installed manufacturing capacity of our manufacturing facility included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity of our facility included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity of our manufacturing facility. These assumptions and estimates include the standard capacity calculation practice of specialty chemicals industry after examining the calculations and explanations provided by our Company and the reactor capacities and other ancillary equipment installed at the manufacturing facility. The assumptions and estimates also include (a) number of working days in a year; (b) number of days in a month; (c) number of working hours; (d) number of shifts in a day; and (e) number of days for scheduled preventive maintenance. For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 140. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other specialty chemical companies. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

15. ***Our failure to keep our technical knowledge confidential could erode our competitive advantage.***

We possess technical knowledge about our products. Such technical knowledge has been built up through our own experiences and through our research and development. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may get leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development with our key employees, we cannot guarantee that we will be able to successfully enforce such agreements. In the event that the confidential technical information in respect of our processes and products or business becomes available to third parties or to the general public, any competitive advantage we may have over our peers could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

Further, in our ordinary course of business we possess confidential information in relation to our customers and are contractually bound to protect such information from misappropriation. If our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of our engagements with our customers. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

16. ***Our profitability largely depends upon the global prices of our products. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition***

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers.

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). In the last three Fiscals we have increased our global footprint to sell our products globally. Our sale of products in foreign jurisdictions is subject to the global prices of the products. Since we currently manufacture all our products at our manufacturing facility at Taloja in Maharashtra, India, we may be unable to provide the products at competitive prices as against suppliers able to implement more cost-effective distribution facilities and local suppliers in such foreign jurisdictions. Accordingly, we may be more exposed to the volatility to the global prices of our products as against competitors whose manufacturing operations are less centralised.

We are the largest producer in India and among the top three suppliers of UV filters globally and are also among the two largest global manufacturers and the largest Indian manufacturer of piroctone olamine. We are also the largest producers of sartan intermediates in India as well as globally (*Source: Frost & Sullivan Report*). Our competitors in the domestic market comprise of foreign suppliers and local players. Accordingly, even our sales in India are subject to global pricing pressures. The foreign suppliers of our products may be able to supply our products at lower prices than us due to *inter alia* greater financial resources, larger scale of operations and export benefits provided in their respective countries.

Our inability to price our products at the global prices, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition.

17. ***We rely on third-party transportation and logistics service providers for the storage and procurement of raw materials and the storage and supply of our products. Significant increases in the charges of these entities could adversely affect our business, results of operations and financial conditions. Further, disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.***

We believe that our success depends on the sustained supply and transportation of the various raw materials required by us for our manufacturing process to our manufacturing facility and our products from our manufacturing facility to our customers, or intermediate delivery points, both of which are subject to various uncertainties and risks. We do not own any trucks or other transport vehicles, and therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. Freight and forwarding charges represented 2.07%, 1.55% and 1.34% of our revenue from operations for Fiscals 2021, 2020 and 2019, respectively and represented 2.63%, 1.78% and 1.34%, respectively of our total expense for the same periods. We are subject to the risk of increases in freight costs since the pricing for freight is negotiated on a shipment basis. If we cannot fully offset any significant increases in freight costs, through increases in the prices for our products, we may experience lower margins. This would have an adverse effect on our business, results of operations and financial conditions.

We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products. Furthermore, in the event that our selected third party transportation and logistics providers are unable to perform their services, given the expertise required for handling our finished products and raw materials including due to their hazardous nature, there is no guarantee that suitable alternative transportation services will be secured at all or at favourable rates.

Even though our manufacturing facility is strategically located at Taloja in Maharashtra, India, we cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers particularly in light of the COVID-19 outbreak. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us. Our raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Such occurrences may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could materially and adversely affect our business, results of operations and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. Given that our manufacturing operations are currently concentrated in Taloja, Maharashtra, the failure to store our raw materials and products in strategic locations may result in a disruption of our supply chain. Such disruption in our supply chain may have a material adverse effect our business, results of operations and cash flows.

Further, we rely on waterways, roadways and airways as forms of transportation to receive raw materials required for manufacturing our products and to deliver our products to our customers. Unexpected delays in those deliveries, including due to delays in obtaining customs clearance for raw materials imported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins. In addition, labour shortages or labour disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business. Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

18. ***Any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.***

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at March 31, 2021, March 31, 2020 and March 31, 2019, our trade receivables were ₹780.12 million, ₹1,195.40 million and ₹828.15 million, respectively, which accounted for 30.31%, 46.97% and 34.13% of our total assets. We had no trade receivables written off for Fiscals 2021, 2020 and 2019. Further, as on March 31, 2021, we had no trade receivables that were due for over a year. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

19. ***Failure to adhere to the terms of the contracts entered into by us with our customers may have an adverse effect on our, business, results of operations and financial condition.***

We typically enter into short-term contracts with our customers, which *inter alia* stipulate minimum purchase commitments during the term of such agreements. If we fail to supply the requisite quantum of products to our customers under such agreements, our customers may consider us to be in breach of such contracts and initiate action against us. We may be unable to continue selling our products to such customers, which may result in an adverse effect on our business, results of operations and financial conditions.

Further, under certain of the agreements entered into by us with customers, the customers have specified certain stipulations and guidelines with respect to the products purchased by them under such agreements. Our failure to adhere to such stipulations and guidelines may result in our customers refusing to continue to purchase the products manufactured by us, which may result in an adverse effect on our business, results of operations and financial conditions.

20. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). We sell our products across 43 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa. Our revenue from exports has been increasing steadily. In Fiscals 2021, 2020 and 2019, our Company's revenue from exports of manufactured products contributed 67.39%, 63.99% and 62.61%, respectively, of our Company's revenue from operations (sale of products). Our Company's revenue from exports have grown at a CAGR of 30.53% between Fiscal 2019 and Fiscal 2021. We intend to increase our global footprint and augment our sales in existing geographies.

Consequently, our business is accordingly subject to diverse and dynamic economic, regulatory, social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally, including, without limitation:

- compliance with local laws and regulations (including imposition of non-tariff barriers), which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;
- currency exchange rate fluctuations;
- difficulties in organizing a skilled workforce for efficient operations including processing visas or entry permits quickly and repeatedly for our personnel; and
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries.

To the extent that our operations are affected by unexpected and adverse economic, regulatory and social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

21. ***There are outstanding legal proceedings involving our Company, our Promoters and our Directors. Failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, results of ongoing operations and reputation.***

Our Company and certain of our Promoters and Directors are currently involved in certain legal proceedings including certain criminal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals.

The summary of outstanding litigation in relation to our Company, our Promoters and Directors as on the date of this Draft Red Herring Prospectus as disclosed in the chapter "*Outstanding Litigation and Material Developments*" on page 272 have been provided below:

Particulars	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Litigation involving our Company		

Direct Tax Proceedings	3	2.39
Litigation involving our Promoters		
Direct tax proceedings	3	502.60
Criminal proceedings	1	*Not quantifiable*
Litigation involving our Directors		
Criminal proceedings	2	*Not quantifiable*
Statutory or regulatory proceedings	1	*Not quantifiable*

There can be no assurance that these legal proceedings will be decided in our favour or in favour of our Company or our Directors or Promoters. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our reputation and the reputation of our Directors and Promoters, and on our Company's ability to carry out its operations, its reputation, business prospects and financial condition.

22. ***Certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future, that all forms were filed in accordance with applicable law and that no dispute shall arise in the future in relation to these corporate records and documents.***

Our Company is unable to trace certain corporate records and regulatory filings made by us. These include corporate records and regulatory filings made in relation to certain allotments by our Company and transfers and transmissions of shares between the Shareholders. Due to the unavailability of such corporate records and regulatory filings we are unable to ascertain all the details of the transaction (for allotments on April 27, 1995 and June 22, 1996), (for transfers made by Dilip Mehta to Jayant Vora on April 28, 1995, Rushabh Vora to Geetanjali Vora on June 23, 1996, Jayant C Vora HUF to Jayant Vora HUF jointly with L.C Vora to on June 23, 1996, Jayant C Vora jointly with L. C. Vora to Jayant Vora, Jayant C Vora jointly with S.P Nanda to Jayant Vora and Jayant C Vora jointly with Lila Vora to Jayant Vora, all on February 28, 2014 and Jayant Vora HUF jointly with L C Vora to Jayant Chhotalal Vora HUF on February 28, 2014, Jayant Chhotalal Vora HUF to Mitul Vora and Rushabh Vora on July 24, 2015) and (for transmission of shares of Geetanjali Vora to Jayant Vora on May 12, 2006). Further, the names of allottees/ transferor(s) and issue price for some of these issuances, transfers and transmissions have been determined on the basis of the register of members, minutes of the meeting of the Board and Shareholders, annual returns and other documents maintained by our Company. For details of such allotments, see "*Capital Structure- Notes to the Capital Structure"* on page 70. Additionally, we are also unable to trace the regulatory filings for the original appointment of our directors Mitul Vora and Rushabh Vora on April 1, 1992 and April 1, 1995, respectively. After conducting a detailed search of our records, we have, through a practicing company secretary, conducted a search at the office of the RoC to trace records and filings available with them. However, such practicing company secretary was unable to locate these documents at the office of the RoC.

We cannot assure you that the regulatory filings or corporate records which we have not been able to locate will be available in the future or that the information gathered in this regard is correct. Further, we cannot assure you that the regulatory filings were done in accordance with applicable law or at all or in timely manner and that we shall not be subject to penalties on this account. Additionally, while no disputes have arisen in connection with these corporate records and other documents as on the date of this Draft Red Herring Prospectus, we cannot assure you that no dispute shall arise in the future.

23. ***Reliance has been placed on declarations and affidavits furnished by Jayant Vora, our Promoter, and Priya Vora, our Whole Time Director, for details of their profile included in this Draft Red Herring Prospectus.***

Our Promoter, Jayant Vora and our Whole Time Director, Priya Vora, have been unable to trace copies of certain documents pertaining to their respective educational qualifications. While they have taken the requisite steps to obtain the relevant supporting documentation, including by making written requests and applications to their respective educational institutions, they have not been able to procure the relevant supporting documentation. Accordingly, our Company and the BRLMs have placed reliance on affidavits furnished by Jayant Vora and Priya Vora, respectively, and copies of applications made by them to procure documents evidencing their educational qualifications, to disclose such details in this Draft Red Herring Prospectus and neither we, nor the BRLMs have been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their respective educational qualifications in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the educational qualifications of Jayant Vora included in "*Our Promoter and Promoter Group*" on page 171 and Priya Vora included in "*Our Management*" on page 153 is complete, true and accurate.

24. ***We are susceptible to product liability claims that may not be covered by insurance, which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums.***

Our business inherently exposes us to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. While our products are extensively researched before being commercialized, any adverse effects caused by such products could adversely affect our business and reputation. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products. Although we have obtained product liability coverage, if any product liability claim sustained against exceeds the policy limits, it could harm our business and financial condition.

A successful product liability claim that is excluded from coverage or exceeds our policy limits may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future. As a result, it is possible that, in the future, we may not be able to obtain the type and amount of coverage we desire at an acceptable price and self-insurance may become the sole commercially reasonable means available for managing the product liability risks of our business.

25. ***We have contingent liabilities and commitments which have not been provided for in our balance sheet. In the event that any of our contingent liabilities materialises, our business, financial condition and results of operations may be adversely affected.***

As on March 31, 2021, we had certain contingent liabilities as disclosed in the Restated Financial Statements and as are set forth below:

(in ₹ million)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019 (Proforma)**
Claims against our Company not acknowledged as debts towards -			
Disputed income tax claims against our Company not acknowledged as debts, currently awaiting the filing of an appeal under "penalty proceedings on account of disallowance under Section 35(2AB)" for accounting year 2018 – 19	1.62	-	-
Disputed income tax claims against our Company not acknowledged as debts, which are currently under appeal/sub-justice - Penalty proceedings on account of disallowance under Section 35(2AB) for the accounting year 2017-18	0.63	-	-
Disputed income tax claims against our Company not acknowledged as debts, which are currently under appeal/sub-justice - Penalty proceedings on account of disallowance under Section 35(2AB) for the accounting year 2014-15	0.14	-	-
Litigations / claims against our Company by landowner			
The landlord of our Company's Vikhroli office has sent a demand for arrears of rent, which our Company has not acknowledged as a debt	0.74	0.74	0.74
Commitments			
Guarantee given by bank	7.24	6.84	1.35

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 (Proforma)
Estimated amount of contracts remaining to be executed on capital account	2.23	31.11	8.65

For details, see "*Restated Financial Statements – Note 37*" on page 243.

Any or all of these contingent liabilities may become actual liabilities.

In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

26. ***We are required to obtain, renew or maintain certain material statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, we may be unable to operate our business and our results of operations may be adversely affected.***

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facility. For details of material approvals relating to the business and operations of our Company, see "*Government and Other Approvals*" on page 275. A majority of these approvals are granted for a limited duration and require timely renewal. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

27. ***Our failure to comply with trade restrictions such as economic sanctions and export controls could negatively impact our reputation and results of operations.***

We are subject to trade restrictions, including economic sanctions and export controls, imposed by governments around the world with jurisdiction over our operations, which prohibit or restrict transactions involving certain designated persons and certain designated countries or territories. For further details, see "*Key Regulations and Polices*" and "*Government and Other Approvals*" on pages 146 and 275, respectively. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts, and other remedial measures. Investigations of alleged violations can be expensive and disruptive. As part of our business, we may, from time to time, engage in limited sales and transactions involving certain countries that are targets of economic sanctions, provided that such sales and transactions are authorized pursuant to applicable economic sanctions laws and regulations. However, we cannot predict the nature, scope, or effect of future regulatory requirements, including changes that may affect existing regulatory authorizations, and we cannot predict the manner in which existing laws and regulations might be administered or interpreted.

In addition, any perceived or actual breach of compliance by us with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing customers, prevent us from obtaining new customers, negatively impact investor sentiment about our Company, require us to expend significant funds to remedy problems caused by violations and to avert further violations, and expose us to legal risk and potential liability, all of which may have a material adverse effect on our reputation, business, financial condition, and results of operations.

28. ***Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.***

As of March 31, 2021, our total outstanding borrowings was ₹92.50 million. For further details, please see "*Financial Indebtedness*" on 270. Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to intimate our lender or obtain consents or no-objections from our lender prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, require our Company to either intimate or obtain the approval of our lender for *inter alia* making any amendments in the Memorandum of Association or Articles of Association, availing additional borrowing, changing our Company's constitution/composition, effecting any change to our Company's shareholding structure, diversifying our business operations into other non-core areas, effecting changes to the management set up of our Company, sell, assign or dispose of any of our Company's fixed assets, undertaking or permitting any merger, amalgamation, compromise or reconstruction. While we have obtained necessary consents from our lender as required under our loan/financing documentation, for undertaking the Offer and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our borrowing facilities, default, acceleration of amounts due under such facilities, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

29. ***Our Registered and Corporate Office and our manufacturing facility is located on a leased premise. If the lease is terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations.***

Our Registered and Corporate Office and our manufacturing facility are currently situated on a parcel of land allotted to us by the Maharashtra Industrial Development Corporation ("**MIDC**") pursuant to a lease agreement dated November 13, 2001 ("**Lease Agreement**"). The land had been originally leased by MIDC for a period of 95 years commencing from December 1969 and pursuant to the Lease Agreement, MIDC has leased the said parcel of land to our Company. Under the terms of the Lease Agreement entered into with the MIDC, we are subject to various compliance requirements, *inter alia*, a prohibition to excavate any part of the said land, erecting any building or structure other than certain exempted constructions, maintenance of access road, construct and building or other erections on the premises without the prior approval of MIDC, making prescribed arrangements for effluent treatment, and compliance with applicable pollution control norms. Failure to comply with the conditions of use of such land could result in our inability to continue, renew or extend the Lease Agreement at commercially acceptable terms, or at all. In the event we are unable to continue, renew or extend the Lease Agreement on acceptable terms, or are compelled to vacate the premises for any reason, we may not be able to obtain alternate locations for our manufacturing activities, in a short span of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition.

30. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our manufacturing facility. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Any need to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

31. ***Some of the raw materials that we use are flammable and require expert handling and storage. While we take adequate care and follow all relevant safety measures, there is a risk of fire and other accidents, at our manufacturing facility. Any accidents may result in loss of property of our Company and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Certain of the raw materials such as Toluene and Methanol that we use as part of our manufacturing processes are flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While we have the 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 or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and/or environmental damage. For instance, on April 13, 2013, a fire broke out at our manufacturing facility at Taloja, caused due to excessively hot weather which ignited the methanol, a highly flammable chemical, stored at our facility. The fire resulted in severe damage to our property and our manufacturing facility. If any such 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. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

In addition to the loss as a result of such fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any fire or industrial accident, any shutdown of any of our manufacturing facility or 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.

We cannot assure you that despite our best efforts we will not face similar situations at our manufacturing facility which may result in significant loss to our Company and/or a disruption of our manufacturing operations. The loss incurred by our Company may or may not be recoverable through insurance maintained by us. Such loss and/or disruption of our manufacturing operations may have a material adverse effect on our operations, cash flows and financial condition.

32. ***Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental, labour and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For further details, see "*Government and Other Approvals*" on page 275.

Manufacturing sites by nature may be hazardous. Our manufacturing processes often puts our employees and others in close proximity with hazardous chemical. These processes may result in *inter alia* air emissions, waste water discharges, the use, handling and disposal of hazardous materials. As a result, we are subject to a variety of health and safety laws and regulations dealing with occupational health and safety. Unsafe work sites have the potential to increase employee turnover and raise our operating costs. Further, any accidents at our manufacturing facility may result in personal injury or loss of life, substantial damage to or destruction of property and equipment that could result in the suspension of operations. Any of the foregoing could subject us to litigation, which may subject us to penalties, increase our expenses in the event we are found liable, and could adversely affect our reputation. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We obtain the requisite registrations and approvals from time to time and aim to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other prescribed safety measures.

Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facility which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. If we fail to maintain safe work sites or violate applicable laws, it could expose us to civil and criminal liabilities and harm our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, maternity leave, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. If we are unable to remain in compliance with all applicable environmental, health and safety and labour laws, our business, results of operations and financial condition may be adversely affected.

33. ***Our operations could be adversely affected by strikes, work stoppages, demands for increased wages or any other kind of employee dispute.***

We believe that we enjoy a good relationship with our workforce and we have also not experienced any major labour disruptions in the past. Most of our workmen are unionized and are part of registered trade unions. Our Company has in the past entered into settlement agreements with 'Kamgar Congress Union' dated January 25, 2021 and 'Jay Bharati General Kamgar Sanghtana' dated February 20, 2021 to ensure harmonious industrial relations between our Company and our workmen. However, there can be no assurance that we will not experience any strike, work stoppage or other industrial action in the future due to disputes or other problems with our workforce due to *inter alia* wage or other demands. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations. Such situations may have an adverse impact on our business, financial condition and results of operation.

34. ***Our performance depends to a large extent on the efforts and abilities of our senior management and Key Managerial Personnel. A high attrition rate or the loss of or diminution in the services of our senior management or Key Managerial Personnel could have a material adverse effect on our business, financial condition and results of operations.***

We are dependent on the services of our senior management and Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees and other professionals will enable us to manage and expand our business operations. We believe that the inputs and experience of our senior management and Key Managerial Personnel have been valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our individual Promoters, Directors and Key Managerial Personnel, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 171 and 153, respectively.

The industry where we operate is typically human capital intensive with a high rate of attrition. Accordingly, in the last three years, we have faced high levels of attrition with regards to our Key Managerial Personnel. For further details, see "*Our Management - Changes in the Key Managerial Personnel in last three years*" on page 170. Higher attrition rates lead to an increase in our training and recruitment costs, which may have an adverse impact on our profitability and financial condition. High attrition and competition for capable resources may limit our ability to attract and retain the skilled talent necessary for us to meet our future growth requirements. Our future success will to a large extent depend on our ability to retain our Key Managerial Personnel. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could have a material adverse effect on our business, financial condition and results of operations. The loss of or diminution in the services of any of the members of our senior management or our Key Managerial Personnel could have a material adverse effect on our business, financial condition and results of operations.

35. ***If we fail to retain and attract additional skilled employees, particularly scientists and technical personnel, it could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends in part on our ability to retain and attract additional skilled employees, particularly our scientists and skilled equipment operators. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our ability to successfully carry out research and development depends on our ability to attract and retain skilled scientists and equipment operators. Our experienced sales team has also developed a number of meaningful customer relationships that would be difficult to replace.

Our manufacturing operations are concentrated at our manufacturing facility at Taloja, Maharashtra. We accordingly require substantial skilled and semi-skilled personnel for efficient functioning of the manufacturing facility. Our inability to employ or retain skilled and semi-skilled personnel, may result in a disruption in our operations and we may be required to pay higher wages to the skilled and semi-skilled personnel.

Competition for qualified technical personnel and operators as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. Any failure to retain and attract additional skilled scientists, equipment operators or sales personnel could have a material adverse effect on our business, financial condition and results of operations.

36. *Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.*

Our operations are subject to various risks inherent in the manufacturing industry including defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. As at March 31, 2021, March 31, 2020 and March 31, 2019, 98.91%, 110.56% and 87.61%, respectively, of our total gross block were insured. Our Company has obtained various insurance policies including a public liability policy, an industrial all risk policy with respect to our manufacturing facility, a fire and special peril policy for the stock in our unit and godowns and a marine cargo insurance policy. For further details of the insurance policies availed by our Company, see "*Our Business- Insurance*" on page 144.

Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Accordingly, our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies. We had no insurance claims that were receivable as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

To the extent that we suffer loss or damage as a result of events for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or the amount received pursuant to an insurance claim, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

37. *Our Company does not own any registered intellectual property. If we are unable to protect our logo, brand name and technical know-how against third party infringement or breaches of confidentiality, or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.*

Our Company does not own any registered intellectual property, including our brand name, logo or technical know-how. Accordingly, we may not be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. In the event that the confidential technical or proprietary information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the industry could be compromised.

We also rely on technical knowledge, product information, industry data, manufacturing expertise and market "knowhow" that cannot be registered and is not subject to any confidentiality or nondisclosure clauses or agreements. If such know-how is leaked to third parties, this could erode our competitive advantage. Our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

While we may enter into confidentiality agreements, we cannot guarantee that any of our unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be successfully opposed or otherwise challenged. Since our innovations, products and name are not protected by intellectual property rights, third parties, including competitors, may be able to commercialise our innovations or products or use our know-how.

Additionally, we may face claims that we are infringing the intellectual property rights of others. If we are subject to any adverse rulings or decisions, our manufacture and sale of such products could be significantly restricted or prohibited and we may be required to pay substantial damages or on-going licensing fees. If we are unable to protect brand name, logo or technical know-how against third party infringement or breaches of confidentiality, or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.

38. ***Employee misconduct could harm us and is difficult to detect and deter.***

Although we closely monitor our employees, misconduct, including acts of bribery, corruption or fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks, or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our reputation.

39. ***Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.***

The specialty chemicals manufacturing industry is generally hazardous in nature. We have received a number of quality assurance certifications and accreditations which have certified that our research, development, manufacturing and supply of our chemical products are in compliance with globally accepted manufacturing practices and quality standards. For instance, in addition to the US FDA approval, our facility has received a number of quality certifications such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, 'Halal' certification and ICHQ7 certification, which confirm the continuance of quality of our facility and processes. If we are unable to renew these accreditations, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

40. ***Any failure of our information technology systems could adversely affect our business and our operations.***

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers and receivables from customers. Our computer systems may be potentially vulnerable to breakdown, malicious intrusion and computer viruses and these systems may be susceptible to outages due to fire, power loss, telecommunications failures, natural disasters, break-ins and similar events. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. While we carry out periodic security tests, security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Accordingly, any such security breaches could have an adverse effect on our business and reputation.

41. ***Changes in technology may render our current technologies obsolete or require us to incur substantial capital expenditure.***

Our industry rapidly changes due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition, and accordingly, our future success may depend partly on our ability to respond to technological advances and emerging standards and partly on inculcating practices on a cost effective and timely basis. If our technologies become obsolete, and we are unable to effectively introduce new products or processes, meet customer needs or technology developed by our competitors render our service unattractive, our business and results of operations could be adversely affected. Although we strive to keep our technology, facility and machinery updated with the latest international standards, the technologies, facility and machinery we currently employ may become less competitive or even obsolete due to advancement in technology or changes in market demand, which may require us to incur substantial capital expenditure. The cost of implementing new technologies and upgrading our manufacturing facility could be significant, which may adversely affect our profitability. If our competitors introduce superior technology and we cannot make enhancements to ours to remain competitive, either because we do not have the resources to continually improve our technology by adequately investing in R&D or for any other reason, our competitive position, and in turn our business, results of operations and financial condition may be adversely affected.

42. ***We have had negative cash flow in the last three Fiscals and it is possible that we may experience negative cash flow from operating activities in the future.***

We have experienced negative cash flow in the last three Fiscals and may, in the future, experience negative cash flows. The following table sets forth certain information relating to our cash flows for the periods indicated below:

(₹ in millions)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Net cash from/ (used in) operating activities	1,107.88	805.22	(45.37)
Net cash from/ (used in) investing activities	(468.33)	(133.42)	(66.62)
Net cash from/ (used in) financing activities	(442.15)	(669.90)	(104.98)

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected. For further details, see *"Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 181 and 257, respectively.

43. ***Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

We provide our customers with certain credit periods as part of our payment terms. While we generally limit the credit we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, there is a risk that our estimates may not be accurate. In Fiscals 2021, 2020 and 2019, our trade receivables were ₹780.12 million, ₹1,195.40 million and ₹828.15 million, respectively. Any increase in our receivable turnover days or write-offs will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

44. ***We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations***

We have entered, and are likely to continue to enter, into transactions with related parties on an arm's length basis. For more information on our prior related party transactions in Fiscals 2021, 2020 and 2019 and outstanding balances with related parties at the end of such periods, see "*Restated Financial Statements*" and "*Restated Financial Statements – Note 35*" on pages 181 and 237, respectively. While all such transactions have been conducted on an arms-length basis, 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 will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations. Further, any future transactions with our related parties may potentially involve conflicts of interest. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

45. ***As our business grows, we may need additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.***

As we continue to grow, we would require capital to support such growth for expenditure in maintaining and growing our existing infrastructure, expanding our capacities and implement new technologies. In Fiscals 2021, 2020 and 2019, our capital expenditure towards additions to fixed assets were ₹81.46 million, ₹113.44 million and ₹83.70 million, respectively, representing 2.04%, 2.18% and 2.55%, respectively, of our total expenditure in such periods. While we have historically funded our capital expenditure primarily through internal accruals, cash flow from operations and debt financing, we cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have or that we shall be able to raise debt financing on commercial acceptable terms, if at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

46. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. Neither we, nor the BRLMs, nor any other person connected with the offer independently can assure that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, Frost & Sullivan, to prepare an industry report titled *"India Chemicals and Specialty Chemicals Market Report" dated July 14, 2021 (the "**Frost & Sullivan Report**")*, for purposes of inclusion of such information in this Draft Red Herring Prospectus. The Frost & Sullivan Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Investors are advised not to rely unduly on the industry related information provided in this Draft Red Herring Prospectus when making their investment decision and such industry related information contained in this Draft Red Herring Prospectus should not be construed as advice relating to business, financial, legal, taxation or investment matters.

47. ***We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, if our competitors are able to improve the efficiency of their manufacturing processes and thereby offer their products at lower prices, our revenues and profitability may decline.***

We are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors (local as well as international). We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We cannot assure you that we shall be able to compete with our existing as well as future competitors as well as the price and services offered by them. In addition, our customers may enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. Our failure to successfully face existing and future competition may have an adverse impact on our business, growth and development.

48. ***Our Promoter and Promoter Group will be able to exercise significant influence and control over our Company after the Offer and may have interests that are different from those of our other shareholders.***

As of the date of this Draft Red Herring Prospectus, our Promoters and the other members of our Promoter Group cumulatively hold our entire issued, subscribed and paid-up equity share capital. Upon completion of the Offer, our Promoters and the members of the Promoter Group will collectively continue to exercise control over us, which will allow them to vote together on certain matters in our general meetings, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer, or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and members of the Promoter Group. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters will act to resolve any conflicts of interest in our Company's or your favour.

49. ***Certain of our Promoters and Directors are interested in our Company in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters and Directors may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Further, in addition to transactions disclosed at "*Restated Financial Statements*" on page 181, such Promoters and Directors may also be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends or other distributions on such Equity Shares. We cannot assure you that our Promoters and Directors, if they are also our Shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company.

50. ***Our Company's ability to pay dividends in the future will depend on a number of factors, including but not limited to our Company's earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements with our lenders. 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 2013. We have adopted a dividend distribution policy pursuant to a resolution of the Board dated July 13, 2021, which lays down the principles for distribution of dividend by our Company to our Shareholders and sets out *inter alia* the financial parameters and/or internal and external factors to be considered by our Company before declaring or recommending dividend to Shareholders and the circumstances under which Shareholders may or may not expect dividend. For details, see "*Dividend Policy*" on page 180.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

51. ***Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations and financial condition***.

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and could either affect our ability to supply our products to China or to procure raw materials required for our manufacturing operations from China. In Fiscals 2021, 2020 and 2019, revenue generated from sales to customers in China represented 5.64%, 3.79% and 0.24%, of our total sale of products, respectively. In Fiscals 2021, 2020 and 2019, purchase of raw materials from customers in China represented 12.67 %, 20.84% and 22.98%, of our total raw material expense, respectively. The occurrence of any event that may alter trade relations between the two countries may therefore significantly impact our business and financial condition. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries.

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

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we have or may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

EXTERNAL RISKS

53. ***A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign ratings have recently been downgraded. For instance, India's credit rating was downgraded by Moody's from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook and by Fitch from BBB- with a "stable" outlook to BBB- with a "negative" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

54. ***Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us and the securities market. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. 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, Loss of investor confidence in the financial system in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows, and the trading price of equity.

The recent outbreak of COVID-19 has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares`

Developments in the Eurozone have exacerbated the ongoing global economic crisis. Large budget deficits and rising public debts in Europe have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports.

These developments or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and the trading price of the Equity Shares.

56. ***Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business.

57. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

58. ***A third party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer, which could otherwise be in the best interest of our stakeholders. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

59. ***Investors may not be able to enforce a judgment of a foreign court against us.***

Our Company is a company incorporated under the laws of India. A majority of our Company's Directors and officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the 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 record.

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

60. ***If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. While we have not opted for the concessional regime and continue to be subject to other benefits and exemptions, any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020, has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax (**"DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, the Government of India has announced the union budget for the fiscal 2022, pursuant to which the Finance Bill, 2021 ("**Finance Bill**") has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 ("**Finance Act, 2021**"). We have not fully determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

For instance, the Finance Act, 2021 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer of consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

In addition, the regulatory and policy environment in which we operate is evolving and subject to change. An unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows. 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 and cash flows. Any changes to such laws may adversely affect our business, financial condition, results of operations, cash flows and prospects. Please see "*Key Regulations and Policies*" on page 146.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, in order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them.

Additionally, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which has currently been referred to a joint parliamentary committee. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

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

61. ***Our ability to raise foreign capital may be constrained by Indian law.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**") and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India ("**GoI**"), as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the GoI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 313.

62. ***If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

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

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

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

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

63. ***The proceeds from the Offer shall be received directly by the Promoter Selling Shareholders.***

The Offer comprises solely of an Offer for Sale. The proceeds from the Offer will be paid directly to the Promoter Selling Shareholders. Our Company will not receive any of the proceeds from the Offer and will accordingly not have access to such funds. For further details, see "*The Offer*" and "*Capital Structure*" on pages 56 and 70, respectively.

64. ***The requirements of being a publicly listed company may strain our resources.***

We are not a publicly listed company and have not, historically, been subjected to the compliance requirement or the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

65. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company and the Selling Shareholders in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 82 and may not be indicative of the market price for the Equity Shares after the Offer. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on page 282. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

66. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid/Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

67. ***The trading volume and market price of the Equity Shares may be volatile following the Offer.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key managerial personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

68. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 82 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the issue and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

Further, the BRLMs have previously handled public issues wherein the market price of the issued shares declined below the issue price of shares in such public issues within 30 and/or 180 days of their listing. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot, therefore, assure investors that an active market will develop or sustained trading will take place in the equity shares or they will be able to resell their Equity Shares at or above the Offer Price. For further information regarding the track record of past issues handled by each of the BRLMs, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)*" on page 282.

69. ***Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2021 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer of consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that DDT will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company would be required to deduct tax at source from dividend credited, paid or distributed to its shareholders.

The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

70. ***The Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations. The Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

71. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any disposal of Equity Shares by our Promoters or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. Any future equity issuances by us or sales of our Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

72. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 313.

73. *There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

75. ***Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

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

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

The Offer comprises of:	
Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders (1)(2)	Up to [●] Equity Shares, aggregating up to ₹7,000.00 million
which includes:	
A) QIB Portion (3)(4)	Not more than [●] Equity Shares up to ₹[●] million
of which:	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Balance QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares up to ₹[●] million
C) Retail Portion (5)	Not less than [●] Equity Shares up to ₹[●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	50,329,500 Equity Shares
Equity Shares outstanding after the Offer	5,03,29,500 Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 80. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by a resolution of our Board dated July 13, 2021.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer for Sale in terms of the SEBI ICDR Regulations. Each Selling Shareholder, severally and not jointly, confirms that it has authorized the sale of its portion of the Offered Shares in the Offer for Sale. For details, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 277.

(3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Offer Procedure" on page 296.

(4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

(5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Offer Procedure" on page 296.

For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on page 293 and 296, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 287.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Statements. The summary financial information presented below has been prepared in accordance with Ind AS for Fiscals 2021, 2020 and 2019 and restated in accordance with the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the sections "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 181 and 257, respectively.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets			
A) Non-current assets			
Property, plant and equipment	495.97	513.51	491.60
Capital work-in-progress	18.03	1.07	3.71
Right of use assets	91.60	77.11	73.38
Other Intangible assets	0.47	0.73	0.98
Financial assets			
- Investment in Joint venture	-	0.82	0.83
- Investment in Associate	-	-	-
- Other Investments	0.08	24.99	53.08
- Loans	2.47	3.64	8.36
- Other Financial Assets	0.31	0.24	0.24
Non-current tax assets (net)	0.94	12.37	38.10
Deferred Tax Assets (Net)	-	1.14	1.27
Other non-current assets	2.36	24.35	0.49
Total non-current assets (A)	**612.23**	**659.97**	**672.04**
B) Current assets			
Inventories	460.11	557.81	758.97
Financial assets			
- Other Investments	20.01	-	-
- Trade Receivables	780.12	1,195.40	828.15
- Cash and Cash Equivalents	200.43	3.03	1.13
- Bank Balances other than above	387.10	-	-
- Loans	1.49	1.43	1.33
- Other Financial Assets	12.08	0.95	8.22
Other current assets	100.64	126.32	156.60
Total current assets (B)	**1,961.98**	**1,884.94**	**1,754.40**
Total assets (A+B)	**2,574.21**	**2,544.91**	**2,426.44**
Equity and liabilities			
C) Equity			
Equity share capital	100.66	3.47	4.47
Other equity	1,732.68	1,019.06	580.28
Total equity (C)	**1,833.34**	**1,022.53**	**584.75**
Liabilities			
D) Non-current liabilities			
Financial liabilities			
- Borrowings	42.50	123.30	182.10
- Lease liability	14.62	3.74	-
Provisions	16.89	24.14	26.14
Deferred Tax Liabilities (Net)	6.34	-	-
Total non-current liabilities (D)	**80.35**	**151.18**	**208.24**
E) Current liabilities			
Financial liabilities			
- Borrowings	-	326.40	708.05
- Trade Payables			
Total outstanding dues to micro enterprise and small enterprises	70.94	76.14	53.61
Total outstanding dues of creditors other than to micro enterprises and small enterprises	415.62	756.66	739.13
- Other Financial Liabilities	111.95	120.57	108.50
- Lease liability	10.63	5.04	3.21
Provisions	4.48	2.95	6.17
Other current liabilities	14.76	7.96	6.96
Current tax liabilities (net)	32.14	75.48	7.82
Total current liabilities (E)	**660.52**	**1,371.20**	**1,633.45**
Total liabilities (D+E)	**740.87**	**1,522.38**	**1,841.69**
Total equity and liabilities (C+D+E)	**2,574.21**	**2,544.91**	**2,426.44**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations	5,059.12	5,966.08	3,259.78
Other Income	44.27	104.02	92.82
Total Income	**5,103.39**	**6,070.10**	**3,352.60**
Expenses			
Cost of Materials Consumed	2,588.07	3,414.41	2,353.18
Purchases of Stock-in-trade	260.40	581.27	208.03
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	105.82	156.45	(144.64)
Employee Benefits Expense	266.07	236.94	224.31
Finance Costs	24.19	68.99	67.95
Depreciation and Amortisation Expense	102.36	97.72	101.52
Other Expenses	644.81	655.77	466.33
Total Expenses	**3,991.72**	**5,211.55**	**3,276.68**
Profit before Share of profit/(loss) of associates / joint ventures and tax	**1,111.67**	**858.55**	**75.92**
Share of profit/(loss) of joint ventures	**0.03**	**(0.01)**	**0.05**
Profit Before Tax	**1,111.70**	**858.54**	**75.97**
Tax Expense/(Income)			
- Current Tax	285.62	230.25	12.56
- Tax adjustment for prior periods	7.75	21.97	-
- Deferred Tax	7.50	(1.14)	12.26
Total Tax Expense	**300.87**	**251.08**	**24.82**
Profit for the year	**810.83**	**607.46**	**51.15**
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss:			
- Actuarial gains/(loss) arising from remeasurements of post-employment benefit obligations	(0.09)	5.05	0.08
- Tax on remeasurement of Defined Benefit Obligation	0.02	(1.27)	(0.03)
Total Other Comprehensive Income	**(0.07)**	**3.78**	**0.05**
Total Comprehensive Income for the Year	**810.76**	**611.24**	**51.20**
Earnings Per Share - Basic and Diluted (in ₹) Face Value per Equity Share - ₹2/- in (Restated)	16.11	10.40	0.79

RESTATED CONSOLIDATED STATEMENT OF CASH FLOW

(in ₹ million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities :			
Profit before tax	1,111.70	858.54	75.97
Adjustments for :			
Depreciation and Amortization Expense	102.36	97.72	101.52
Sundry balance written off	(6.83)	-	2.38
Provision for expenses	5.81	-	5.39
Finance Cost	23.50	68.47	67.95
Interest income	(12.19)	(0.21)	(0.83)
Dividend income	-	-	-
Net loss on sale of investments	16.12	-	-
Loss/(Profit) sale of property plant and equipment	3.35	(0.31)	2.35
Net loss/(Gain) arising on financial assets/ liabilities measured at FVTPL	(22.94)	51.07	(38.50)
Unrealised foreign exchange (gain)/ loss (Net)	(7.11)	(46.83)	(7.41)
Share of profit of equity accounted investees	(0.03)	0.01	(0.05)
Provision for leave encashment and gratuity	14.08	5.22	6.78
Operating profit before Working Capital changes	**1,227.82**	**1,033.68**	**215.55**
Adjustments for changes in Working Capital			
(Increase)/Decrease in Trade Receivables	422.19	(316.91)	(345.54)
(Increase)/Decrease in Loans	1.06	4.68	0.50
(Increase)/Decrease in Financial Assets	21.04	(21.07)	(6.83)
(Increase)/Decrease in Other Assets	19.87	30.28	48.56
(Increase)/Decrease in Inventories	97.70	201.16	(163.64)
Increase/(Decrease) in Trade Payables	(341.74)	34.43	237.37
Increase/(Decrease) in Financial Liabilities	1.60	7.23	(5.34)
Increase/(Decrease) in Provisions	(19.80)	-	-
Increase/(Decrease) in Other Liabilities	6.79	1.00	(22.71)
Net change in working capital	**208.71**	**(59.20)**	**(257.63)**
Cash generated from Operations	**1,436.53**	**974.48**	**(42.08)**
Taxes paid	(328.65)	(169.26)	(3.29)
Net cash from operating activities (A)	**1,107.88**	**805.22**	**(45.37)**
B. Cash Flow from Investing Activities :			
Purchase of property, plant and equipment	(76.43)	(134.69)	(67.36)
Proceeds from sale of property, plant and equipment	2.73	1.19	0.06
Investment in Bank FD (Maturity more than 3 but less than 12 months)	(387.10)	-	-
Proceeds from sale of joint venture	0.88	-	-
Proceeds from sale of non-current investment	8.48	-	-
Net proceeds from purchase of mutual fund	(19.71)	-	-
Interest received	2.82	0.08	0.68
Dividend received on Investments	-	0.00	0.00
Net Cash from /(used in) Investing Activities (B)	**(468.33)**	**(133.42)**	**(66.62)**
C. Cash flows from financing activities			
Proceeds from term loans	-	-	44.00
Repayment of term loans	(89.60)	(54.45)	(35.20)
Proceeds / (repayment) of working capital loans (Net)	(326.40)	(381.66)	166.50
Lease liabilities	(8.56)	(5.64)	(5.73)
Paid for Buyback of equity share capital	-	(143.00)	-
Interest paid	(17.59)	(54.63)	(63.52)
Dividend Paid	-	(17.00)	(0.89)
Buyback Tax Paid	-	(10.02)	-
Dividend Distribution Tax Paid	-	(3.50)	(0.18)
Net cash from /(used in) financing activities (C)	**(442.15)**	**(669.90)**	**104.98**
Net increase/ (decrease) in cash and cash equivalents (A+ B+C)	**197.40**	**1.90**	**(7.01)**
E. Cash and cash equivalents at the beginning of the year	3.03	1.13	8.14
F. Cash and cash equivalents at the end of the year (D+E)	**200.43**	**3.03**	**1.13**
Cash and cash equivalents comprise :			
Balances with Banks			

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
- In Current Accounts	9.00	2.74	0.98
- In EEFC account	0.03	0.03	0.03
- Deposits with maturity less than 3 months	70.00	-	-
- Debit balances in overdraft accounts	121.37	0.11	0.05
Cash on hand	0.03	0.15	0.07
	200.43	**3.03**	**1.13**
Reconciliation of movement in borrowings to cashflows from financing activities			
Opening balance			
Non-current borrowings	123.30	182.10	193.55
Current borrowings	326.40	708.05	541.55
Current maturities of long term borrowings	58.80	54.45	34.20
Total Opening balance	**508.50**	**944.60**	**769.30**
Cash flow movements			
Proceeds from term loans	-	-	44.00
Repayment of term loans	(89.60)	(54.45)	(35.20)
Proceeds / (repayment) of working capital loans (Net)	(326.40)	(381.66)	166.50
	(416.00)	**(436.11)**	**175.30**
Non-cash movements			
Foreign currency translation	-	-	-
Closing balance			
Non-current borrowings	42.50	123.30	182.10
Current borrowings	-	326.40	708.05
Current maturities of long term borrowings	50.00	58.80	54.45
Total Closing balance	**92.50**	**508.50**	**944.60**

GENERAL INFORMATION

Our Company was incorporated as 'Chemspec Chemicals Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 15, 1975, issued by the RoC. Our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on June 24, 2021 and consequently the name of our Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on July 8, 2021. For further details relating to the changes in the name of our Company and the registered office of our Company, see "*History and Certain Corporate Matters*" on page 150.

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office are as follows:

Chemspec Chemicals Limited
Plot No. 3-C, MIDC Taloja
Tal - Panvel
District - Raigad, Navi Mumbai - 410 208
Maharashtra, India

For details of the changes in our registered office, see "*History and Certain Corporate Matters - Change in the registered office*" at page 150.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a. Registration number: 018665

b. Corporate identity number: U24114MH1975PLC018665

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

100, Everest
5th Floor
Marine Drive
Mumbai- 400 002

Board of Directors

The following table sets out the brief details of our Board as on the date of this Draft Red Herring Prospectus:

Name	Designations	DIN	Address
Prakash Mehta	Chairman and Independent Director	00001366	123-A, Maker Tower, Cuffe Parade, Colaba, Mumbai - 400 005
Rushabh Vora	Managing Director	00382198	C-1901, 19th Floor, Indiabulls Blu, Plot No.-131,132, Worli, Ganpatrao Kadam Marg, Delisle Road, Mumbai – 400 013
Rajinder Harkara	Whole-time Director	08987180	A-801, Maruti Paradise, Sector 15, CBD Belapur, Navi Mumbai, Konkan Bhavan Thane, Thane 400 - 614,
Priya Vora	Whole-time Director	00172440	C-1901, 19th Floor, Indiabulls Blu, Plot No.-131,132, Worli, Ganpatrao Kadam Marg, Delisle Road, Mumbai – 400 013
Mitul Vora	Non-Executive Director	00381979	Flat No. 6A, 2nd Floor, Darbhanga Mansion, M.L. Dahanukar Road, 12 Carmichael Road, Mumbai - 400 026
Chetan Desai	Independent Director	03595319	901 Matoshree Kunj, Tanaji Malusare Marg, Vile Parle (West), Mumbai - 400 056

Name	Designations	DIN	Address
Aditya Kapadia	Independent Director	00087520	06, Haveli 19, L.D. Ruparel Marg, Mumbai - 400 006
Girija Balakrishnan	Independent Director	06841071	Shabari Niwas, Row House D-4, Highland Park, Mulund Colony Road, Mulund (West), Mumbai – 400 082

For further details of our Board of Directors, see "*Our Management-Board of Directors*" on page 153.

Company Secretary and Compliance Officer

Bharatkumar Dama is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

Bharatkumar Dama
Company Secretary and Compliance Officer
Plot No. 3-C, MIDC Taloja,
Tal- Panvel, District Raigad, Navi Mumbai - 410 208
Telephone: +91 22 2740 1932/ 22 2740 1935
E-mail: investor.relations@chemspec.co.in

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025
Maharashtra, India
Telephone: +91 22 6630 3030
E-mail: chemspec.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration no.: INM000010361

Axis Capital Limited
1st Floor, Axis House,
C-2 Wadia International Center,
Pandurang Budhkar Marg,
Worli, Mumbai - 400 025
Telephone: +91 22 4325 2183
E-mail: chemspec.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance e-mail: complaints@axiscap.in
Contact person: Simran Gadh
SEBI registration no.: INM000012029

Syndicate Members

[●]

Legal Counsel to the Company and Selling Shareholders as to Indian law

Khaitan & Co
10th & 13th Floor, Tower 1C
One World Centre
841, Senapati Bapat Marg
Mumbai 400 013
Telephone: +91 22 6636 5000

Legal Counsel to the BRLMs as to Indian law

AZB & Partners
AZB House
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai - 400 013
Telephone: +91 22 6639 6880

Registrar to the Offer

Link Intime India Private Limited
C101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai - 400 083
Telephone: +91 22 4918 6200
Email: chemspec.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance email: chemspec.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI registration no.: INR000004058

Bankers to our Company

HDFC Bank Limited
HDFC Bank Limited, Peninsula Business Park
Tower B, 4th Floor
Senapati Bapat Marg
Lower Parel, Mumbai – 400 012
Telephone: +91 22 3395 8036
Contact person: Parag Dave / Vivek Vazirani
Website: www.hdfcbank.com
Email: parag.dave@hdfcbank.com / vivek.vazirani@hdfcbank.com

Banker(s) to the Offer

Escrow Collection Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs eligible as Issuer Banks for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

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

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

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

Experts

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Financial Statements and their examination report dated July 13, 2021 on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 14, 2021 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent from S. D. Aras & Associates, independent chartered engineer, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Statutory Auditor to our Company

Singhi & Co.
B2 402B/402C
Marathon Innova, 4th Floor
Off Ganapatrao Kadam Marg
Lower Parel, Mumbai – 400013

Maharashtra, India
E-mail: mumbai@singhico.com
Telephone: +91 22 6662 5537
Peer review no.: 011816
Firm registration no.: 302049E

Changes in Auditors

Except as disclosed above, there has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of change	Reason for change
Singhi & Co. B2 402B/402C Marathon Innova, 4th Floor Off Ganapatrao Kadam Marg Lower Parel, Mumbai – 400013 Maharashtra, India E-mail: mumbai@singhico.com Peer review no.: 011816 Firm registration no.: 302049E	February 26, 2021	Appointed as Statutory Auditor
Ramesh Shishodia & Associates Address: 36 Bombay Mutual Building 2nd Floor, DR D.N. Road Fort, Mumbai – 400001 Maharashtra, India E-mail: shishodiaramesh@gmail.com Peer review no.: Not available Firm registration no.: 139928W	February 18, 2021	Resignation as the statutory auditor of our Company

IPO Grading

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Monitoring Agency

The Offer being made by way of an offer for sale of the Equity Shares by the Selling Shareholders, there is no requirement to appoint a monitoring agency in relation to the Offer.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustee

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and	JM, Axis	JM

	secondary, etc. Due diligence of our Company's operations/management/business /legal etc., Drafting and design of this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of the Red Herring Prospectus, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities		
2	Drafting and approval of statutory advertisement	JM, Axis	JM
3	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	JM, Axis	Axis
4	Appointment of Registrar to the Offer, Printer to the Offer, and Advertising Agency (including coordination for their agreements)	JM, Axis	JM
5	Appointment of all other intermediaries and including co-ordination for all other agreements	JM, Axis	Axis
6	Preparation of road show presentation and FAQs for the road show team	JM, Axis	Axis
7	International institutional marketing of the Offer, which will cover, *inter alia*: • International Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	JM, Axis	Axis
8	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Domestic Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	JM, Axis	JM
9	Conduct non-institutional marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non - Institutional Investors	JM, Axis	JM
10	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity and • Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	JM, Axis	Axis
11	Managing anchor book related activities, coordination with Stock Exchanges for anchor intimation, submission of letters regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM, Axis	Axis
12	Managing the book and finalization of pricing in consultation with our Company	JM, Axis	JM
13	Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.	JM, Axis	Axis

	Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance(No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.		

Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online portal and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Retail Individual Investors and Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 287 and 296, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 296.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the

Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

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

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

(in ₹ million)

Name, address, telephone and e-mail of the Underwriters	**Indicative number of Equity Shares to be underwritten**	**Amount underwritten**
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The details of the share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

(In ₹ except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**		
	54,750,000 Equity Shares of face value of ₹2 each	109,500,000	-
	5,000 preference shares of face value of ₹100 each	500,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	50,329,500 Equity Shares of face value of ₹2 each	100,659,000	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for sale of up to [●] Equity Shares aggregating up to ₹7,000.00 million(1)(2)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***		
	[●] Equity Shares	[●]	-
E	**SECURITIES PREMIUM RESERVE**		
	Before the Offer	Nil	
	After the Offer		

* *To be updated upon finalization of the Offer Price.*

(1) *The Offer has been authorized by a resolution of our Board dated July 13, 2021.*

(2) *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Mitul Vora, Rushabh Vora, and BACS LLP have consented to participate in the Offer for Sale pursuant to their respective consent letters each dated July 13, 2021 and have consented to offer such number of Equity Shares aggregating up to ₹7,000.00 million in the Offer for Sale. For details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 277.*

Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see "*History and Certain Corporate Matters - Amendments to our Memorandum of Association*" on page 150.

Notes to the Capital Structure

1. ***Share capital history of our Company***

(a) The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Nature of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face value (₹)	Issue price/ buy back price per equity share (₹)	Form of consideration
November 15, 1975	Initial subscription to the MOA (1)	2	2	100	100	Cash
April 27, 1995#	Further issue(2)	15,148	15,150	100	100	Cash
June 22, 1996#	Bonus issue (3)	15,150	30,300	100	NA	NA
June 28, 2007	Further issue(4)	4,410	34,710	100	3,000	Cash
June 22, 2009	Further issue(5)	10,000	44,710	100	10,000	Cash
November 2, 2019	Buyback of equity shares (6)	(10,000)	34,710	100	14,300	Cash
March 27, 2021	Bonus issue (7)	971,880	1,006,590	100	NA	NA
Pursuant to a resolution of our shareholders dated March 30, 2021, the equity shares of our Company of face value of ₹100 each were sub-divided into 50 Equity Shares of face value of ₹2 each and accordingly 1,006,590 equity shares of ₹100 each were sub-divided into 50,329,500 Equity Shares of face value of ₹2 each.						

#We have been unable to trace filings with the RoC for these issuances. The details of these issuances have been determined on the basis the minutes of the meetings of the board and shareholders and the register of members maintained by our Company. Also see, "Risk Factors – Certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will

be available at all or any time in the future and that no dispute shall arise in the future in relation to these corporate records and documents" on page 33.

(1) *Allotment of 1 equity share each to Jayant Vora and Dilip Mehta pursuant to subscription to the MoA.*
(2) *Allotment of 936 equity shares to Jayant Vora, 2 equity shares each to L.C Vora, S.P Nanda and Lila Vora, each holding such equity shares jointly with Jayant Vora, 1,649 equity shares to Mitul Vora, 1,803 equity shares to Rushabh Vora, 2,767 equity shares to Gitanjali Vora, 6,172 equity shares to BACS LLP and 1,815 equity shares to Jayant Chhotalal Vora HUF by way of a preferential allotment.*
(3) *Bonus issue in the ratio of one equity shares for every one equity share held. Allotment of 938 equity shares to Jayant Vora, 2 equity shares each to L.C Vora, S.P Nanda and Lila Vora each holding such equity Shares jointly with Jayant Vora, 1,649 equity shares to Mitul Vora, 1,803 equity shares to Rushabh Vora, 2,767 equity shares to Gitanjali Vora, 6,172 equity shares to BACS LLP and 1,815 equity shares to Jayant Chhotalal Vora HUF.*
(4) *Allotment of 4,410 equity shares to BACS LLP by way of a preferential allotment*
(5) *Allotment of 10,000 equity shares to Nottinghill Finance Limited, Mauritius by way of a preferential allotment*
(6) *Buyback of 10,000 equity shares from the Nottinghill Finance Limited, Mauritius*
(7) *Bonus issue in the ratio of 28 equity shares for every one equity share held. Allotment of 207,844 equity shares to Jayant Vora, 1,43,164 equity shares to Mitul Vora, 151,760 equity shares to Rushabh Vora and 4,69,112 equity shares to BACS LLP*

(b) Preference share capital

Our Company has not issued any preference shares as on the date of the filing of this Draft Red Herring Prospectus.

2. **Equity shares issued for consideration other than cash or through bonus issue or out of revaluation reserves**

Except as detailed below, our Company has not issued any equity shares (a) for consideration other than cash, or (b) through a bonus issue, or (c) out of revaluation reserves at any time since incorporation:

Date of allotment	Number of equity shares allotted*	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to the Company
June 22, 1996	15,150	100	NA	Bonus issue (1)	-
March 27, 2021	971,880	100	NA	Bonus issue (2)	-

Total number of equity shares is without giving effect to the increase in the number of equity shares due to subdivision of share capital of our Company with effect from March 30, 2021.

(1) *Bonus issue in the ratio of one equity shares for every one equity share held. Allotment of 938 equity shares to Jayant Vora, 2 equity shares each to L.C Vora, S.P Nanda and Laila Vora each holding such equity shares jointly with Jayant Vora, 1,649 equity shares to Mitul Vora, 1,803 equity shares to Rushabh Vora, 2,767 equity shares to Gitanjali Vora, 6,172 equity shares to BACS LLP and 1,815 equity shares to Jayant Chhotalal Vora HUF.*
(2) *Bonus issue in the ratio of 28 equity shares for every one equity share held. Allotment of 2,07,844 equity shares to Jayant Vora, 1,43,164 equity shares to Mitul Vora, 151,760 equity shares to Rushabh Vora and 4,69,112 equity shares to BACS LLP*

3. Our Company has not issued any equity shares or preference shares out of its revaluation reserves at any time since incorporation.

4. As on the date of the Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

5. Our Company has not issued or allotted any equity shares in terms of any scheme of arrangement approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

6. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

7. Other than as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Reason of allotment	No. of equity shares allotted*	Face value (₹)	Issue price per equity share (₹)	Nature of consideration
March 27, 2021	Bonus issue (1)	971,880	100	NA	NA

Total number of equity shares is without giving effect to the increase in the number of equity shares due to subdivision of share capital of our Company with effect from March 30, 2021.

(1) *Bonus issue in the ratio of 28 equity shares for every one equity share held. Allotment of 2,07,844 equity shares to Jayant Vora, 1,43,164 equity shares to Mitul Vora, 1,51,760 equity shares to Rushabh Vora and 4,69,112 equity shares to BACS LLP. These allottees are our Promoters.*

8. ***Shareholding Pattern of our Company***

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	**Category of shareholder (II)**	**Number of shareholders (III)**	**Number of fully paid up Equity Shares held (IV)**	**Number of partly paid-up Equity Shares held (V)**	**Number of shares underlying Depository Receipts (VI)**	**Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)**	**Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)**	**Number of voting rights held in each class of securities (IX)**				**Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)**	**Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of locked in Equity Shares (XII)**		**Number of Equity Shares pledged or otherwise encumbered (XIII)**		**Number of Equity Shares held in dematerialized form (XIV)**
								Number of voting rights (XIV)			**Total as a % of total voting rights (A + B + C)**			**Number (a)**	**As a % of total Equity Shares held** (b)	**Number (a)**	**As a % of total Equity Shares held (b)**	
								Class eg: Equity Shares	**Class eg: Others**	**Total**								
(A)	Promoters and Promoter Group	8	50,329,500	-	-	50,329,500	100.00	50,329,500	-	50,329,500	100.00	-	100.00	-	-	-	-	50,329,500
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**8**	**50,329,500**	**-**	**-**	**50,329,500**	**100.00**	**50,329,500**	**-**	**50,329,500**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**50,329,500**

9. ***Other details of Shareholding of our Company***

(a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has eight Shareholders.

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	**Name of the Shareholder**	**No. of Equity Shares held**	**Percentage of the pre-Offer paid up equity share capital as on the date of this Draft Red Herring Prospectus**
1.	Jayant Vora	10,763,346	21.39
2.	Mitul Vora	7,413,850	14.73
3.	Rushabh Vora	7,859,000	15.62
4.	BACS LLP	24,293,300	48.27
Total		**50,329,496**	**100.00***

**Subject to the impact of rounding off to two decimal places*

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them as of 10 days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	**Name of the Shareholder**	**No. of Equity Shares held**	**Percentage of the pre-Offer paid up equity share capital as of 10 days prior to the date of this Draft Red Herring Prospectus**
1.	Jayant Vora	10,763,346	21.39
2.	Mitul Vora	7,413,850	14.73
3.	Rushabh Vora	7,859,000	15.62
4.	BACS LLP	24,293,300	48.27
Total		**50,329,496**	**100.00***

**Subject to the impact of rounding off to two decimal places*

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them as of one year prior to the date of filing of this Draft Red Herring Prospectus:

No.	**Name of the Shareholder**	**No. of equity shares of face value of ₹100 each***	**Percentage of the equity share capital as of one year prior to the date of this Draft Red Herring Prospectus (%)***
1.	Jayant Vora	7,423	21.39
2.	Rushabh Vora	5,420	15.62
3.	Mitul Vora	5,113	14.73
4.	BACS LLP	16,754	48.27
	Total	**34,710**	**100.00^**

*******Total number of equity shares and percentage of such shareholding is without giving effect to the increase in the number of equity shares due to subdivision of share capital of our Company with effect from March 30, 2021.*

^Subject to the impact of rounding off to two decimal places

(e) Set forth below is a list of Shareholders holding 1% or more of the equity paid-up equity share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them as of two years prior to the date of filing of this Draft Red Herring Prospectus:

No.	**Name of the Shareholder**	**No. of equity shares of face value of ₹100 each***	**Percentage of the equity share capital as of two years prior to the date of this Draft Red Herring Prospectus (%)***
1.	Jayant Vora	7,423	16.60
2.	Rushabh Vora	5,420	12.12
3.	Mitul Vora	5,113	11.44
4.	BACS LLP	16,754	37.47
5.	Nottinghill Finance Limited, Mauritius	10,000	22.37
	Total	**44,710**	**100.00**

*******Total number of equity shares and percentage of such shareholding is without giving effect to the increase in the number of equity shares due to subdivision of share capital of our Company with effect from March 30, 2021.*

10. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

11. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Red Herring Prospectus.

12. ***Details of shareholding of our Promoters and members of the Promoter Group in the Company***

Provided below are the details of Equity Shares held by our Promoters and members of the Promoter Group, as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Pre-Offer equity share capital		Post-Offer equity share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
Promoters (A)					
1.	Jayant Vora	10,763,346	21.39	[●]	[●]
2.	Mitul Vora	7,413,850	14.73	[●]	[●]
3.	Rushabh Vora	7,859,000	15.62	[●]	[●]
4.	BACS LLP	24,293,300	48.27	[●]	[●]
Total		**50,329,496**	**100.00**^	[●]	[●]
Promoter Group (B)					
1.	Priya Vora	1	*Negligible*	[●]	[●]
2.	Varun Vora	1	*Negligible*	[●]	[●]
3.	Aryan Vora	1	*Negligible*	[●]	[●]
4.	Rohan Vora	1	*Negligible*	[●]	[●]
Total (B)		**4**	***Negligible***	[●]	[●]
Total (A+B)		**50,329,500**	**100.00**^	[●]	[●]

** Subject to finalisation of Basis of Allotment*
^Subject to the impact of rounding off to two decimal places

(a) All Equity Shares held by our Promoters are in dematerialised form as on the date of this Draft Red Herring Prospectus.

(b) As on the date of this Draft Red Herring Prospectus, our Promoters hold 50,329,496 Equity Shares, equivalent to approximately 100.00% (subject to the impact of rounding off to two decimal places) of the issued, subscribed and paid-up equity share capital of our Company. The details regarding our Promoters shareholding are set forth below:

Build-up of the Promoters' shareholding in our Company

The build-up of the Equity Shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Nature of transaction	Date of allotment/ Transfer / Transmission and made fully paid-up	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)#	Percentage of the post-Offer capital (%)#
Jayant Vora						
Subscription to MoA	November 15, 1975	1	100	100	*Negligible*	[●]
Further issue	April 27, 1995#	936	100	100*	0.09	[●]
Transfer from Dilip Mehta	April 28, 1995#	1	100	100*	*Negligible*	[●]

Nature of transaction	Date of allotment/ Transfer / Transmission and made fully paid-up	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)#	Percentage of the post-Offer capital (%)#
Bonus issue in the ratio of one Equity Shares for every one Equity Share held	June 22, 1996#	938	100	Not applicable	0.09	[●]
Transmission from Gitanjali Vora	May 12, 2006#	5,535	100	Not applicable	0.55	[●]
Transfer from Jayant Vora jointly with L.C Vora	February 28, 2014#	4	100	100*	*Negligible*	[●]
Transfer from Jayant Vora jointly with S.P Nanda	February 28, 2014#	4	100	100*	*Negligible*	[●]
Transfer from Jayant Vora jointly with Lila Vora	February 28, 2014#	4	100	100*	*Negligible*	[●]
Bonus issue in the ratio of 28 Equity Shares for every one Equity Share held	March 27, 2021	207,844	100	Not applicable	20.65	[●]
Pursuant to a resolution of our shareholders dated March 30, 2021, the equity shares of our Company of face value of ₹100 each were sub-divided into 50 Equity Shares of face value of ₹2 each and accordingly 215,267 equity shares of ₹100 each held by Jayant Vora were sub-divided into 10,763,350 Equity Shares of face value of ₹2 each.						
Transfer to Priya Vora	June 19, 2021	(1)	2	Not applicable	*Negligible*	[●]
Transfer to Varun Vora	June 19, 2021	(1)	2	Not applicable	*Negligible*	[●]
Transfer to Aryan Vora	June 19, 2021	(1)	2	Not applicable	*Negligible*	[●]
Transfer to Rohan Vora	June 19, 2021	(1)	2	Not applicable	*Negligible*	[●]
Total (A)		**10,763,346**			**21.39**	
Mitul Vora						
Further issue	April 27, 1995#	1,649	100	100*	0.16	[●]
Bonus issue in the ratio of one Equity Shares for every one Equity Share held	June 22, 1996#	1,649	100	Not applicable	0.16	[●]
Transfer from the Jayant Chhotalal Vora HUF	July 24, 2015#	1,815	100	100*	0.18	[●]
Bonus issue in the ratio of 28 Equity Shares for every one Equity Share held	March 27, 2021	143,164	100	Not applicable	14.22	[●]
Pursuant to a resolution of our shareholders dated March 30, 2021, the equity shares of our Company of face value of ₹100 each were sub-divided into 50 Equity Shares of face value of ₹2 each and accordingly 148,277 equity shares of ₹100 each held by Mitul Vora were sub-divided into 7,413,850 Equity Shares of face value of ₹2 each.						

Nature of transaction	Date of allotment/ Transfer / Transmission and made fully paid-up	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)#	Percentage of the post-Offer capital (%)#
Total (B)		**7,413,850**			**14.73**	[●]
Rushabh Vora						
Further issue	April 27, 1995#	1,803	100	100*	0.18	[●]
Bonus issue in the ratio of one Equity Shares for every one Equity Share held	June 22, 1996#	1,803	100	Not applicable	0.18	[●]
Transfer to Gitanjali Vora	June 23, 1996#	(1)	100	100*	*Negligible*	[●]
Transfer from the Jayant Chhotalal Vora HUF	July 24, 2015#	1,815	100	100*	0.18	[●]
Bonus issue in the ratio of 28 Equity Shares for every one Equity Share held	March 27, 2021	151,760	100	Not applicable	15.08	[●]
Pursuant to a resolution of our shareholders dated March 30, 2021, the equity shares of our Company of face value of ₹100 each were sub-divided into 50 Equity Shares of face value of ₹2 each and accordingly 157,180 equity shares of ₹100 each held by Rushabh Vora were sub-divided into 7,859,000 Equity Shares of face value of ₹2 each.						
Total (C)		**7,859,000**			**15.62**	
BACS LLP						
Further issue	April 27, 1995#	6,172	100	100*	0.61	[●]
Bonus issue in the ratio of one Equity Shares for every one Equity Share held	June 22, 1996#	6,172	100	Not applicable	0.61	[●]
Further issue	June 28, 2007	4,410	100	3,000	0.44	[●]
Bonus issue in the ratio of 28 Equity Shares for every one Equity Share held	March 27, 2021	469,112	100	Not applicable	46.60	[●]
Pursuant to a resolution of our shareholders dated March 30, 2021, the equity shares of our Company of face value of ₹100 each were sub-divided into 50 Equity Shares of face value of ₹2 each and accordingly 485,866 equity shares of ₹100 each held by BACS LLP were sub-divided into 24,293,300 Equity Shares of face value of ₹2 each.						
Total (D)		**24,293,300**			**48.27**	[●]
Total (A + B + C + D)		**50,329,496**			**100.00^**	[●]

#We have been unable to trace filings with the RoC for these issuances. The details of these issuances have been determined on the basis the minutes of the meetings of the board and shareholders and the register of members maintained by our Company. Also see, "Risk Factors – Certain documents filed by us with the RoC and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that no dispute shall arise in the future in relation to these corporate records and documents" on page 33.

We have been unable to ascertain the acquisition/transfer price and nature of consideration for these transfers due to non-availability of transfer deeds and transfer forms. Further, we have relied on minutes of the meetings of the board and shareholders and the register of members maintained by our Company with respect to the price of certain transfers. See the aforementioned risk factor cited above.
^ Subject to the impact of rounding off to two decimal places
#Percentage of the pre-Offer capital has been adjusted for sub-division of equity shares of the Company, undertaken pursuant to the Shareholders' resolution dated March 30, 2021.

(c) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.

(d) None of the Equity Shares held by our Promoters are pledged or otherwise encumbered as on date of this Draft Red Herring Prospectus.

(e) None of the members of the Promoter Group, or the Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

13. ***Details of Promoters' contribution and lock-in for three years***

(a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked-in for a period of one year from the date of Allotment.

(b) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoter	Date of allotment/ transfer of the Equity Shares	Nature of transaction	No. of Equity Shares**	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in*	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total						[●]	[●]	[●]	

** Subject to finalisation of Basis of Allotment.*
*** All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

(c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(d) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

(ii) The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and

(iv) The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge or any other encumbrance.

14. ***Details of Equity Shares locked- in for one year***

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for three years as specified above and Equity Shares offered and successfully transferred by the Selling Shareholders as part of the Offer for Sale, the entire pre-Offer equity share capital of our Company will be locked-in for a period of one year from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(1)(b) and 17 of the SEBI ICDR Regulations.

15. ***Lock-in of Equity Shares Allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

16. ***Recording on non-transferability of Equity Shares locked-in***

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

17. ***Other requirements in respect of lock-in***

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoters' Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the SEBI Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the SEBI Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

18. Our Company, our Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

19. None of the Directors or Key Managerial Personnel of our Company, except Rushabh Vora, Priya Vora and Mitul Vora hold any Equity Shares in our Company. For details, see *"Our Management - Shareholding of Directors in our Company"* on page 159.

20. All Equity Shares which are being offered pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

21. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

22. Except for BACS LLP, Mitul Vora and Rushabh Vora who are offering Equity Shares in the Offer for Sale, none of our other Promoters or members of our Promoter Group will participate in the Offer.

23. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

24. As on the date of this Draft Red Herring Prospectus, our Company has not instituted any employee stock option scheme.

25. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

SECTION IV – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to [●] Equity Shares by the Selling Shareholders. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India. The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer.

The Offer expenses are estimated to be approximately ₹[●] million. The Offer expenses comprise, among other things, the listing fee, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, fees payable to the Sponsor Banks for Bids made by RIIs using UPI mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All Offer related expenses will be borne by the Selling Shareholders, in accordance with applicable law.

The break-up for the Offer expenses is as follows:

Activity	Estimated expenses(1) (in ₹ million)	As a % of total estimated Offer expenses(1)	As a % of the total Offer size(1)
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs(2) (3)(4)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Others			
(a) regulatory filing fees, book building software fees, listing fees, etc.	[●]	[●]	[●]
(b) printing and stationery	[●]	[●]	[●]
(c) fee payable to legal counsels	[●]	[●]	[●]
(d) advertising and marketing	[●]	[●]	[●]
(e) other advisors to the Offer	[●]	[●]	[●]
(f) miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIIs and NIIs which are directly procured by the SCSBs, would be as follows:*

*Portion for RIIs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*

Processing fees payable to the SCSBs on the portion for RIIs and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIIs	*₹[●] per valid application (plus applicable taxes)*

Portion for Non-Institutional Investors	*₹[●] per valid application (plus applicable taxes)*

(4) *Selling commission on the portion for RIIs, Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs would be as follows:*

Portion for RIIs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*[●]%of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIIs and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIIs and Non-Institutional Investors which are directly procured by the Registered Broker or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIIs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹[●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Processing fees for applications made by RIIs using the UPI Mechanism would be as under:

Members of the Syndicate / CRTAs / CDPs	*₹[●] per valid application (plus applicable taxes)*
Sponsor Bank	*₹[●] per valid application (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 135, 21, 181 and 257, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Leadership position in an industry with a high entry barrier;
- Long-standing relationships with a marquee customer and distributor base across geographies;
- Continuous R&D and process improvement to drive product development;
- Diversified portfolio of functionally critical products across segments; and
- Advanced manufacturing facility, registered with the US FDA, with strong focus on environment, sustainability, health and safety measures.

For further details, see "*Our Business – Competitive Strengths*" on page 137.

Quantitative Factors

Certain information presented below, relating to our Company, is based on the Restated Financial Statements. For details, see "*Restated Financial Statements*" on page 181.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS") at face value of ₹2, as adjusted for changes in capital:

As per the Restated Financial Statements:

Financial Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	16.11	16.11	3
March 31, 2020	10.40	10.40	2
March 31, 2019	0.79	0.79	1
Weighted Average	11.65	11.65	

Notes:

i) Basic EPS = Restated consolidated profit for the year available for equity Shareholders / Weighted average number of equity shares outstanding during the year

ii) Diluted EPS = Restated consolidated profit for the year available for equity Shareholders / Weighted average number of diluted potential equity shares outstanding during the year

iii) The figures disclosed above are based on the Restated Financial Statements of our Company, as adjusted for the bonus and sub-division

iv) The face value of each Equity Share is ₹2 each

v) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/ Total of weights

vi) Earnings per share calculations are in accordance with Ind AS 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) *vii) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in "Restated Financial Statements" on page 181*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for year ended March 31, 2021	[●]	[●]
Based on diluted EPS for year ended March 31, 2021	[●]	[●]

Industry P/E ratio

Particulars	P/E Ratio
Highest	78.78
Lowest	28.66
Industry Composite	54.31

Notes:

i) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison of Accounting Ratios with Listed Industry Peers" on page 83.

3. Return on Net Worth ("RoNW")

As per the Restated Financial Statements of our Company:

Financial Year ended	RoNW %	Weight
March 31, 2021	44.23	3
March 31, 2020	59.41	2
March 31, 2019	8.75	1
Weighted Average	43.38	

Notes:

i) Return on Net Worth (%) = $\dfrac{\textit{Restated consolidated profit for the year available to equity Shareholders}}{\textit{Restated consolidated net worth at the end of the year}}$

ii) Net Worth = Equity Share Capital + Other Equity

iii) As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the Net Worth post completion of the Offer

iv) The figures disclosed above are based on the Restated Financial Statements of our Company, as adjusted for the bonus and sub-division

4. Net Asset Value per Equity Share of face value of ₹2 each

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	36.43
After the Offer	[●]
Offer Price	[●]

Notes:

i) Net Asset Value per share represents total equity as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the year

ii) The figures disclosed above are based on the Restated Financial Statements of our Company, as adjusted for the bonus and sub-division

5. Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Face Value (₹ per equity share)	Revenue, for Fiscal 2021 (in ₹ million)	EPS, for Financial Year 2021 (₹)		NAV, as on March 31, 2021 (4) (₹ per equity share)	P/E(1)	RoNW, as on March 31, 2021(2) (%)
			Basic	Diluted(1)			
Chemspec Chemicals Limited	2	5,103.39	16.11	16.11	36.43	[●]	44.23
Galaxy Surfactants Limited	10	27,840.6	85.2	85.2	367.06	36.89	23.2%
Vinati Organics Limited	1	9,542.6	26.2	26.2	150.16	77.16	17.4%
Aarti Industries Limited	5	45,061.0	30.0	30.0	201.75	28.66	14.9%
SRF Limited	10	84,000.4	205.5	205.5	1,157.12	36.89	17.5%
Fine Organic Industries Limited	5	11,332.2	39.3	39.3	238.55	78.78	16.5%
PI Industries Limited	1	45,770.0	49.9	49.9	352.13	59.95	13.8%
Navin Fluorine International Limited	2	11,793.9	52.0	52.0	330.06	74.14	15.8%
Atul Limited	10	37,314.7	221.2	221.2	1,293.31	41.99	17.2%

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual report of the company for the year ended March 31, 2021.

Source for our Company: Based on the Restated Financial Statements for the year ended March 31, 2021.

Notes:
(1) P/E Ratio has been computed based on the closing market price of equity shares on BSE on July 7, 2021, divided by the Basic EPS.
(2) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth.
(3) Net worth has been computed as sum of paid-up share capital and other equity.
(4) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Statements*" on pages 21, 135, 257 and 181, respectively, to have a more informed view.

The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 21 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
Chemspec Chemicals Limited
Plot No. 3-C, MIDC Taloja,
Tal-Panvel, Dist-Raigad,
Navi Mumbai 410 208
Maharashtra, India
(the "**Company**")

Re: Proposed initial public offer of equity shares of face value of Rs. 2 each (the "Equity Shares") of the "Company" and such offer, the "Offer".

This Certificate is issued in accordance with the terms of our engagement with Chemspec Chemicals Limited (the "**Company**"), a company incorporated under the Companies Act, 1956 and having its registered office at Plot No. 3-C, MIDC Taloja, Tal-Panvel, Dist-Raigad, Navi Mumbai 410 208, Maharashtra, India to certify the statement of special tax benefits available to the Company and its Shareholders, under direct and indirect tax laws presently in force in India for the purpose of the Offer.

Management responsibility

The preparation of the Statement annexed to this certificate is the responsibility of the management of the company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation of internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Company is responsible for preparation of the restated consolidated financial statements of the Company, as of and for the Fiscals ended March 31, 2021, March 31, 2020 and March 31, 2019, in accordance with the Companies Act, 2013, as amended and Indian Accounting Standards prescribed under the Companies Act (Indian Accounting Standards) Rules, 2015 and restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Auditor's Responsibility

We, Singhi & Co., Statutory Auditor of the Company, report that the enclosed statement in the **Annexure**, states the possible special tax benefits, available to the Company and its shareholders, under the direct and indirect tax laws presently in force in India, as on the date of this certificate. Several of these benefits are dependent on the Company and its shareholders, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company or its shareholders face in the future, the Company and its shareholders may or may not choose to fulfill.

The Company does not presently have any subsidiaries as on the date of this certificate; accordingly, no material subsidiaries have been identified by the Company in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The benefits discussed in the enclosed **Annexure** 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. We are neither 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 and 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.

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

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus of the Company or in any other documents in connection with the Offer.

We hereby give consent to include this statement of special tax benefits in the draft red herring prospectus, and in any other material used in connection with the Offer.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We confirm that the information in this certificate is correct, and is in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable law.

Restriction on use:

This certificate is for information and for inclusion (in part or full) in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Book Running Lead Managers and the legal advisors, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information until the Equity Shares commence trading on the relevant stock exchanges pursuant to the Offer. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For and on behalf of
Singhi & Co.
Chartered Accountants

Milind Agal
Partner
Membership No.: 123314
ICAI Firm Registration No: 302049E
Date: 14 July 2021
UDIN: 21123314AAAAAL7907

Encl: As above

ANNEXURE 'A'

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

1. Special tax benefits available to the Company

There are no possible special tax benefits available to the Company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Act, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

2. Special Tax Benefits to the Shareholders

The shareholders of the Company are also not eligible to any special tax benefits under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Act, 1962, the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

Notes:

1 We have not considered the general tax benefits available to the Company, or shareholders of the Company.

2 The above is as per the prevalent tax laws as on date.

3 The above statement of possible special tax benefits sets out the provisions of tax laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.

4 This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

SECTION V - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

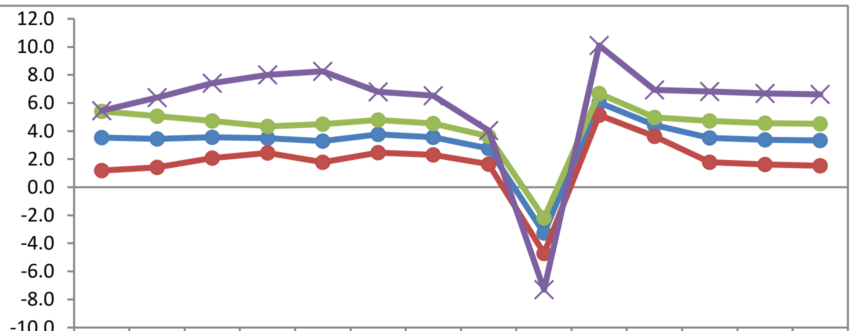
The information in this section is obtained and extracted from the report titled "Independent Market Report – India Chemicals and Speciality Chemicals Market Report" dated July 14, 2021, prepared and released by Frost & Sullivan, specifically for the purposes of this Offer, which has been commissioned and paid for by our Company (the "Frost & Sullivan Report"). Neither our Company, the Book Running Lead Managers or any of their respective affiliates nor any other person connected with the Offer has independently verified this information. The data may have been re-classified by our Company for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Forecasts, estimates, predictions, and other forward-looking statements contained in the Frost & Sullivan Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. For the disclaimer of Frost & Sullivan, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation - Industry and Market Data" on page 13. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Macroeconomic overview

With the growth in the COVID-19 pandemic, the economic damage is already evident and represents the largest economic shock the world has experienced in decades. The baseline forecast envisions an approximate 3.3% contraction in global GDP in 2020. Using market exchange rate weights, this has been the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support.

Real GDP Growth (%) 2012- 2025 forecast

The following illustration demonstrates the real GDP growth between the year 2012 and the forecasted growth till the year 2025:



	2012	2013	2014	2015	2016	2017	2018	2019	2020 E	2021 F	2022 F	2023 F	2024 F	2025 F
World	3.5	3.5	3.6	3.5	3.3	3.8	3.6	2.8	-3.3	6.0	4.4	3.5	3.4	3.3
Advanced Economies	1.2	1.4	2.1	2.4	1.8	2.5	2.3	1.6	-4.7	5.1	3.6	1.8	1.6	1.5
Emerging markets & developing economies	5.4	5.1	4.7	4.3	4.5	4.8	4.5	3.6	-2.2	6.7	5.0	4.7	4.6	4.5
India	5.5	6.4	7.4	8.0	8.3	6.8	6.5	4.0	-7.3	10.1	6.9	6.8	6.7	6.6

Source: World Economic Outlook, International Monetary Fund Estimate, Moody's Outlook, Frost & Sullivan

The advanced economies of the world are projected to recover slowly as compared to the global average. Every country is subject to a substantial downgrade growth of GDP in 2020. The United States of America and Canada are expected to witness a GDP downgrade of 3.5% and 5.4%, respectively. The European countries are expected to downgrade by 6.1% and UK by 9.92%. In Asia, Japan is expected to witness a downgrade of 5.2%.

The availability of Covid-19 vaccine could now unleash a pent-up demand, bringing along inflation. A return to pre-pandemic lives may bring a surge in spending, which may poise inflation for a comeback. Unlike the global financial crisis, when new money creation went to banks and financial institutions, this time the massive monetary policy easing and the "never seen before" government relief packages seem to be trickling fast to the real economy. The monetary inflation is resulting in a weaker dollar. A weaker dollar and high liquidity could result in higher commodity prices as well and therefore could be inflationary.

Chemicals – the recovery driver

As the chemical industry lies at the heart of several value chains and acts as a solution provider to other sectors of the economy, it plays a pivotal role in leading a sustainable recovery. Chemical innovations already contribute to several sustainable development challenges such as energy and climate, transport, health and food, among others. The chemicals and materials sector can leverage both direct and indirect stimulus programmes and can strengthen their broader impact to provide shared value across business and society.

As economies are gradually reopening for business, companies are turning their attention to recovery. As the market now stands, we forecast the following developments in the chemical industry over the next two to three years:

- *Specialty chemicals to drive growth; agro-chemicals and pharma-chemicals to be focus areas*: Post the opening of the lockdown across major global economies, the specialty chemical industry was amongst the first to recover, given the increasing need for its inputs towards essential supplies such as pharmaceuticals, personal health and hygiene and agrochemicals. This sector is expected to be the key driver for growth in the chemicals sector, out-pacing petrochemicals and other bulk chemicals in the next two to three years.

- Several global players are opting for a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities, such as India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes between 35% to 40% to the global chemical industry. The spill over impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share. The powering trend of de-risking of input procurement from China by global chemical leaders offers great export as well as domestic sales opportunity for Indian specialty chemical industry.

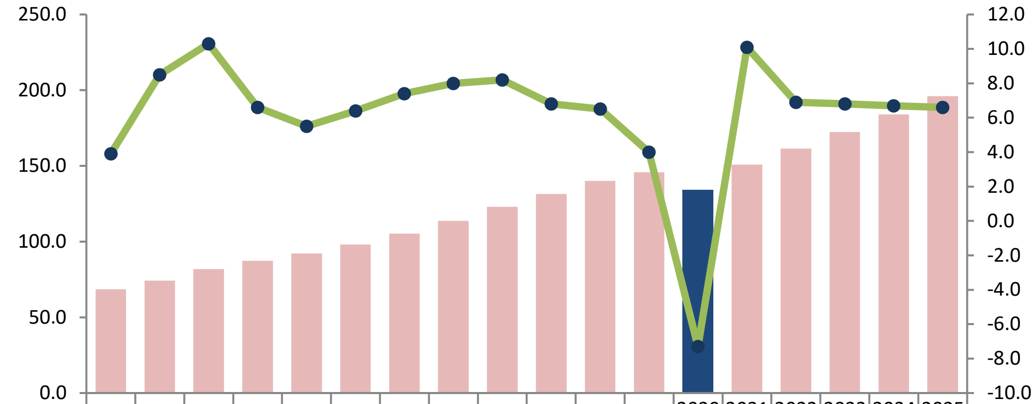
Macroeconomic Overview of India

India's medium term growth outlook is expected to improve and record a growth rate of approximately 6.6% by 2025, on account of the strong macroeconomic fundamentals which include moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies. Meanwhile, the recent moves by the Indian Government to improve balance sheets of state-owned banks, through an augmented re-capitalization plan worth ₹2,110 billion for public sector banks, spread over two years, is expected to support the capital shortages of the public sector banks that have hindered the bank's lending capacity.

Due to Covid-19, India's GDP for Fiscal 2021 declined by 7.3% at ₹1,34,08,882 crore, as compared to ₹1,45,69,268 crore for the same period during the previous fiscal.

Real GDP value, at constant price (₹ 000'billion) and growth %, India, from 2008 to 2025 (forecast)

The following illustration demonstrates India's real GDP value and growth percentage between the year 2008 and the forecasted growth till the year 2025:



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 E	2021 F	2022 F	2023 F	2024 F	2025 F
GDP	68.5	74.3	81.9	87.4	92.1	98.0	105.3	113.7	123.0	131.4	140.0	145.7	134.1	150.9	161.4	172.4	183.9	196.1
GDP Growth (%)	3.9	8.5	10.3	6.6	5.5	6.4	7.4	8.0	8.2	6.8	6.5	4.0	-7.3	10.1	6.9	6.8	6.7	6.6

GDP GDP Growth (%)

Source: Moody's Outlook, Moody's press release 2020, International Monetary Fund Estimate, Dun and Bradstreet, Frost & Sullivan

India's growth story was largely positive, based on the strength of domestic absorption. The economy was registering a steady pace of economic growth pre-Covid-19. Moreover, other macroeconomic parameters like inflation, fiscal deficit and current account balance had exhibited distinct signs of improvement. Though the pandemic has led to a short-term slowdown of the economy, the medium-long term fundamentals are sound and India is expected to witness the revival of its economy soon.

The Indian Government has taken several measures to revive the economy and to return to a normal to high growth trajectory. As the monetary and fiscal stimuli work their way through, India can expect an economic turnaround soon. In addressing the current slowdown, India has several advantages and comforting factors including the following:

- *Aatmanirbhar Bharat Abhiyan*: On May 12, 2020, Prime Minister Narendra Modi announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy. Government seized the crisis to push forward industrial and other economic reforms.

    - This campaign is especially expected to benefit the specialty chemicals sector, with several players hoping to position themselves as an alternative to China, as the coronavirus crisis prompts companies to diversify their supply chains.

    - The Indian Government announced a "production linked incentive" scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The Indian Government's move is aimed to boost domestic manufacturing and reduce the dependence on imported critical active pharmaceutical ingredients. Further, the Indian Government has also decided to develop three mega bulk drug parks in partnership with states. These schemes will likely appeal more to the smaller players and should foster more investments.

    - The specialty chemical manufacturing companies will look at import substitution along with export opportunities to further drive their business.

- *Preferred Destination for Foreign Investment:* India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market, availability of skilled manpower and a package of fiscal incentives for foreign investors. Reasons also include:

  - Strong and diversified industrial and infrastructural base: India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors;

  - Burgeoning foreign exchange reserves: India’s foreign exchange reserves (USD 500 billion, as of June 2020, which is the highest ever) provide confidence in the country’s ability to manage the balance of payments.

  - Demographic dividend: Presently, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15 years to 59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge around the 15 to 59 age groups over the next decade. This poses a formidable challenge as well as a huge opportunity.

Impact of Covid-19 on industries relevant to Chemspec Chemicals Limited

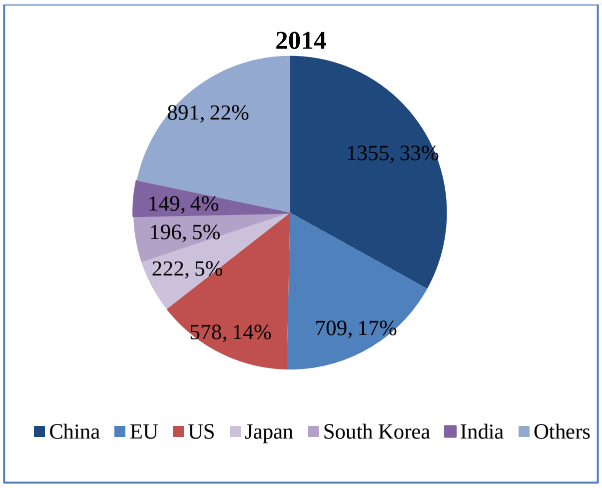
Our Company is dominant in the personal care and pharmaceutical sectors, with our products predominantly catering to skin and hair care and APIs for anti-hypertension drugs. With the onset of Covid-19, both industries have seen a boost in sales and market growth across the globe. A rise in the need for medication as well as a huge awareness for personal hygiene is driving the demand for both these sectors. While the other industries seem to see a drop in sales, the personal care and pharmaceutical industry is flourishing both in India and across the world.

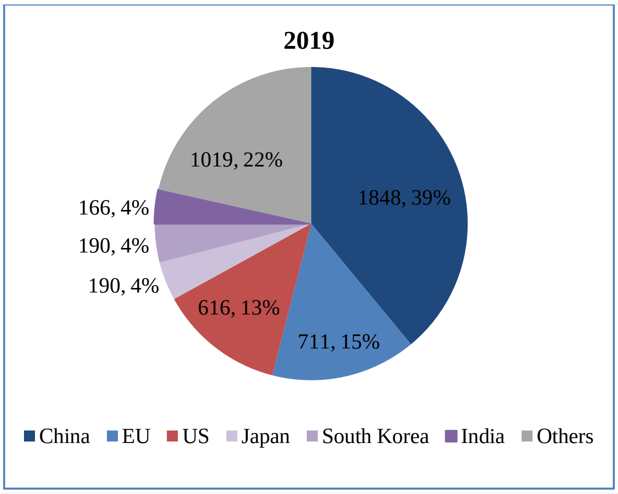
Global Chemical Market

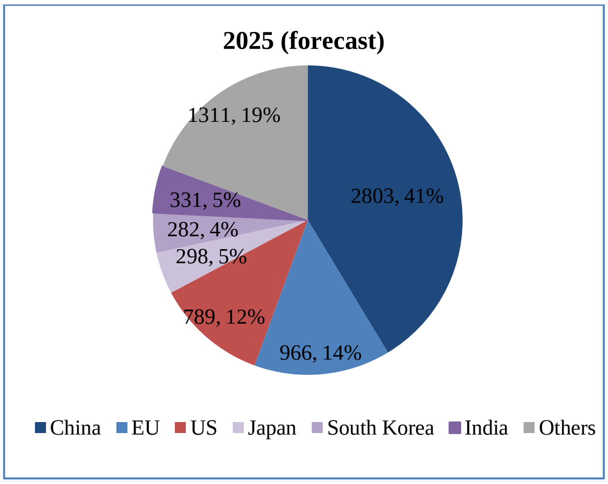
The global chemicals market is valued at around USD 4,738 billion with China accounting for major market share (39%) in the segment followed by European Union (15%) and United States (13%). India accounts for approximately 4% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR; reaching USD 6,780 billion by 2025. Going forward, the APAC region is anticipated to grow between seven and eight percent during the years 2019 and 2025. The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence, would record slower growth rate, between three to four percent.

The following illustration demonstrations the share of the chemical industry amongst countries during the relevant periods:

Global chemicals market, 2014, 2019 and 2025 (forecast), USD 4,100 billion, USD 4,738 billion and 6,780 billion

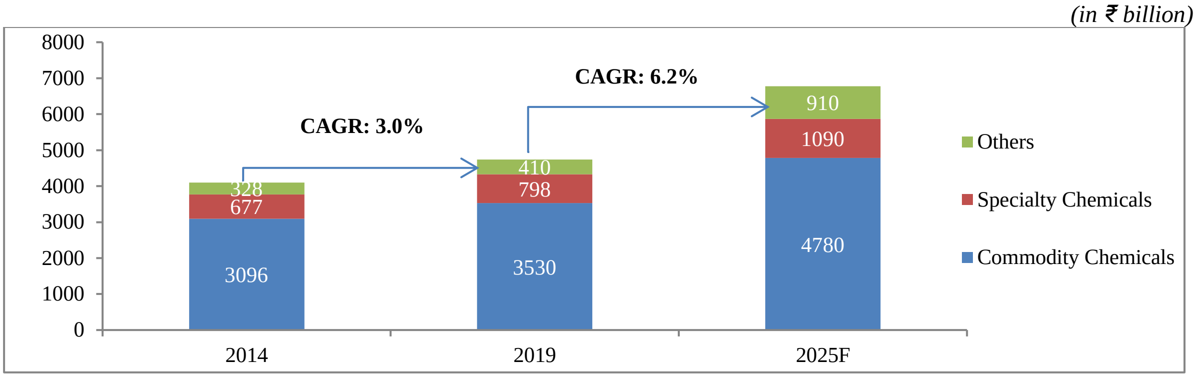






The following illustration demonstrates the scale of the global chemical market 2014, 2019 and the estimates in 2025:

(in ₹ billion)



Note: In the above illustration, "Others" mainly include biotech chemicals. Also note that the Indian chemical industry generally showcases agrochemicals and fertilizers and pharmaceuticals API outside of "Specialty chemicals" and Petrochemicals outside of "Commodity Chemicals". In the above illustration, the specialty chemicals section, however, is inclusive of the two categories (agrochemical and fertilizers and pharmaceuticals API) and the commodity chemicals section is inclusive of bulk chemicals and petrochemicals.

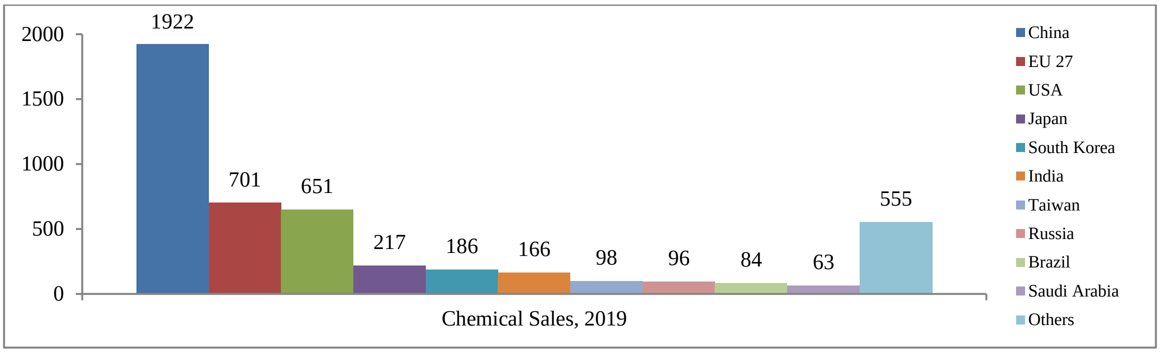
	Commodity Chemicals	Specialty Chemicals	Other Chemicals
2014-19	**2.6%**	**3.4%**	**4.6%**
2019-25F	**5.2%**	**5.3%**	**14.2%**

Speciality Chemicals

The specialty chemicals market is characterized by high value-added, low volume chemical production. These chemicals are used in a wide variety of products, including fine chemicals, additives, advanced polymers, adhesives, sealants and specialty paints, pigments, and coatings. The specialty market is extremely fragmented. The consolidation of companies has been a major trend and is expected to continue. Similar to the commodity sector, the specialty sector is affected by high costs of energy and feedstock. Intangible value issues include heightened emphasis on research, customer migration to alternative products, and the impact of regulations on products. The overall market stood at approximately USD 800 billion in 2019, and is expected to showcase a growth between 5-6% over the next five years.

Pharmaceutical (API): API are generally considered a sub-sector of the chemical industry. Information and statistics on the chemical industry may or may not include the pharmaceutical sector, though it tends to be demarcated as a separate category. The global active pharmaceutical ingredients market size is projected to reach approximately between USD 250 billion and 270 billion by 2025, at a CAGR of 5% to 6%, during the forecast period. The market growth is driven mainly by factors such as rising drug R&D, the increasing incidence of chronic diseases, the growing importance of generics, and the increasing uptake of biopharmaceuticals.

The following illustration demonstrates the share of countries in the global chemical sales in 2019:



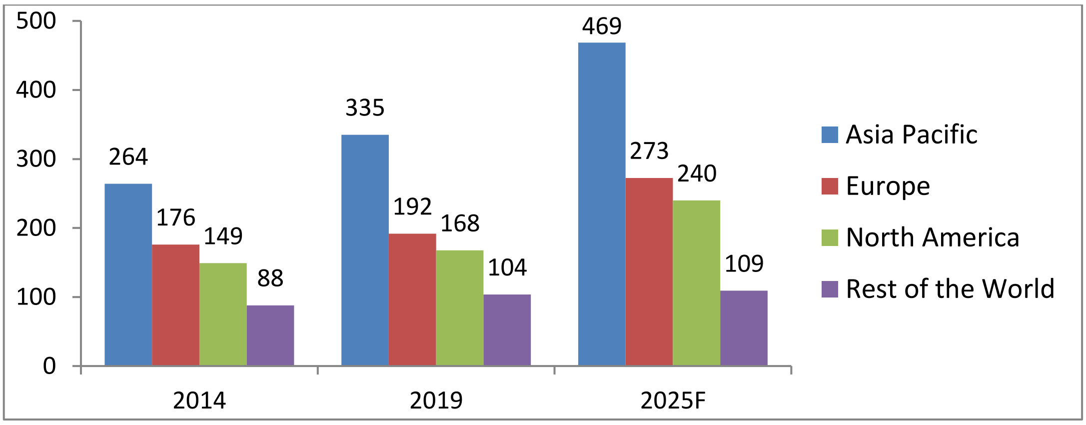
In 2019, the total chemical sales globally was USD 4,738 billion.

Global speciality chemicals market

Specialty chemicals are low-volume and high-value products which are sold on the basis of their quality or utility, rather than composition. Thus, they may be used primarily as additives or to provide a specific attribute to the end product. Specialty chemicals are more likely to be prepared and processed in batches. The focus is on value addition to the end-product and the properties or technical specifications of the chemical.

Rapid industrialisation in India and China is expected to drive demand for specialty chemicals. The APAC region dominates the speciality chemicals market globally, with a share of 42%, owing to the huge customer base, increasing industrial production, and robust growth of the construction sector in the region. APAC is followed by Europe and North America.

The following illustration demonstrates the Global Specialty Chemicals Market by Geography, in 2014, 2019, 2025 (projected) with the value (USD 677 billion, USD 798 billion, USD 1090 billion, respectively during such years):

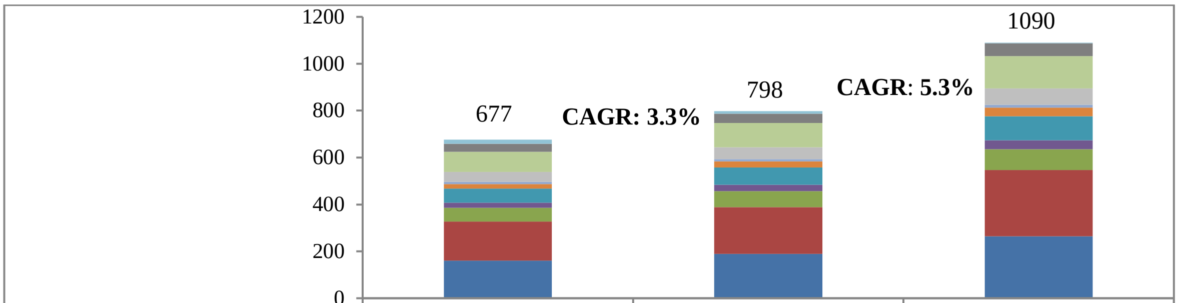


	Asia Pacific	Europe	North America	RoW
2014-19 CAGR	4.9%	1.7%	2.4%	3.3%
2019-25 CAGR	5.8%	6.0%	6.2%	0.8%

Market Segmentation – by industry and application type

Specialty chemicals industry can be categorised into a mix of end-use driven segments and application-driven segments. In terms of attractiveness, the various segments across specialty chemicals differ in competitive intensity, margin profiles, defensibility against raw material cost movements, and growth.

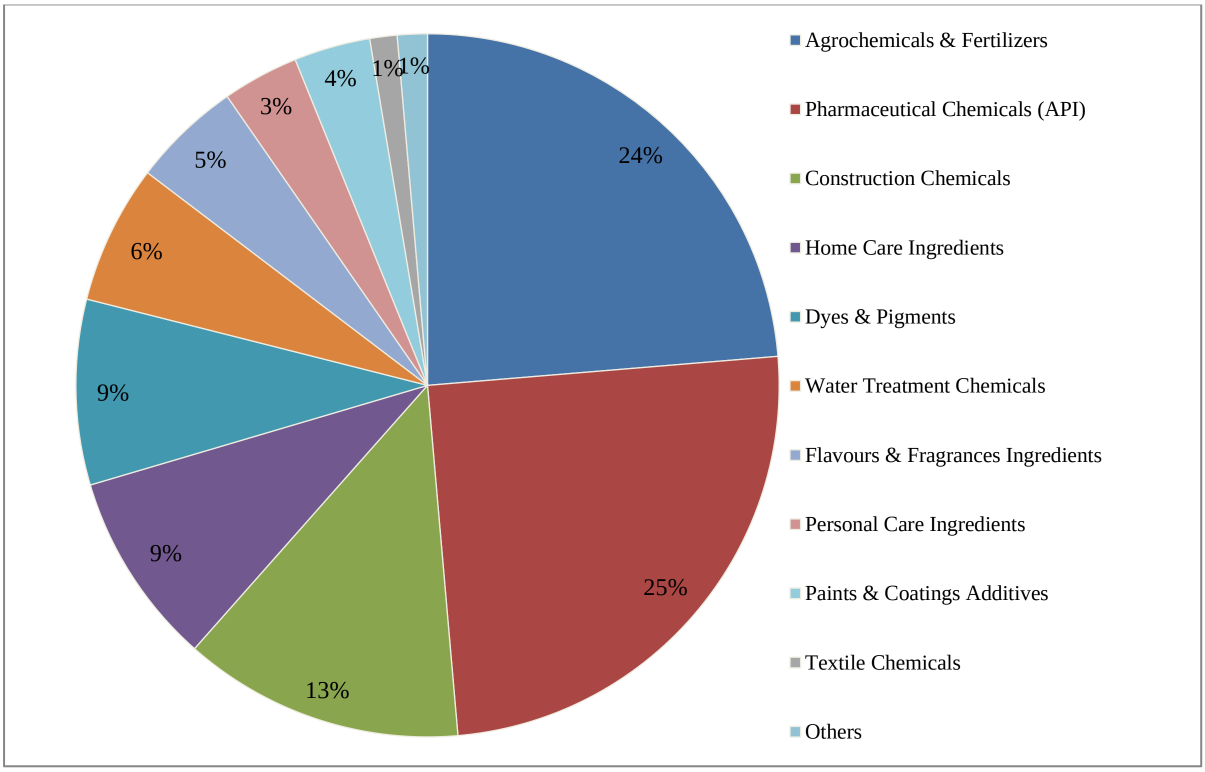
The following illustrations demonstrates the share of industries in the global speciality chemicals market during the respective periods:



	2014	2019	2025F
Others	19	11	3
Flavours & Fragrances Ingredients	34	40	54
Construction Chemicals	87	103	139
Water Treatment Chemicals	43	51	70
Textile Chemicals	9	10	13
Personal Care Ingredients	20	25	36
Home Care Ingredients	59	74	103
Paints & Coatings Additives	23	28	38
Dyes and Pigments	58	68	89
Pharmaceutical API	166	199	283
Agrochemicals & Fertilizers	161	189	264

In the illustration above, "Others" include sealants and adhesives, polymer additives etc.

The following illustration demonstrates the share of industries and applications in the global specialty chemicals market in 2019 (Value USD 798 billion):



The industry is also expected to see the following trends over the next two to five years:

- Companies will try and shift their focus toward new value streams and growing end markets, such as health care and electronics;

- Most governments have announced policy proposals related to regulation, trade, and sustainability which could prove beneficial in shifting the dependence of the industry from China; and

- Chemical companies are now experiencing significant changes in the way they operate and serve their customers by leveraging on remote and digital sales channels.

Five year growth forecast split by key sub-segment industries highlighting key factors driving growth

Segments	**Key growth drivers**	**(Years 2019 to 2025 - CAGR)**
Sunscreen/ UV absorbing products (USD 11 – 11.25 billion)	Consumers are increasingly aware of the effects of UV radiation on skin health and appearance all year around and this is driving demand for sunscreen ingredients worldwide.	3 – 5%
Skin whitening products (USD 8.3 – 8.5 billion)	Increase in preference for fair skin, as a matter of confidence and enhanced beauty, especially among female consumers, is expected to boost the product demand.	5 – 7%
Anti-dandruff shampoos (USD 2.75 – 3 billion)	Increasing awareness regarding the scalp condition, growing urbanization and availability of various dandruff treatment substitutes is the key drivers of the market for global dandruff treatment market.	5 - 7%
Anti-bacterial soaps (USD 4 – 4.5 Bn)	The importance of antimicrobial ingredients in extending the shelf life of cosmetic products is a key factor driving the growth and adoption of such products. Antimicrobial ingredients play a key role in providing safety in the cosmetics industry.	4 – 6%
Anti-Hypertension drugs (USD 23 – 23.5 Bn)	A surge in incidence of hypertension across the globe in addition to rise in awareness related to complications associated with hypertension is a major factor that fuels the growth of the market.	3 - 5%

Key Global Players

Sunscreen / UV Absorbers**:**

The key global players in this segment include Johnson & Johnson, L'Oreal, Revlon, Unilever, Shiseido, Estee Lauder, Beiersdorf, Avon Products, Clarins Group, Proctor & Gamble, Coty, Lotus Herbals, Amway, Edgewell Personal Care, etc.

Skin Whitening creams:

The key global players in this segment include Beiserdorf, CavinKare, Emami. Hindustan Unilever, Jolen, Kanebo Cosmetics, Proctor & Gamble, LÓreal, etc.

Anti-dandruff shampoos:

The key global players in this segment include Procter & Gamble, Unilever, Coty Inc., Johnson & Johnson, Avalon Natural Products, Himalaya Herbal Healthcare, Sanofi-Aventis Groupe, Summers Laboratories, etc.

Anti-bacterial soaps:

The key global players in this segment include Reckitt Benckiser, Vi-Jon, Amway, Proctor & Gamble, Medline, Unilever, Chattem, Lion Corporation, 3M, Kao, Henkel, etc.

Anti-Hypertension drugs:

Major players operating in the market include Boehringer Ingelheim, Merck, Johnson and Johnson, Bayer, Pfizer, Takeda Pharmaceutical, AstraZeneca, Daiichi Sankyo Company, Sanofi, Novartis International, etc.

With an increasing awareness of the ill-effects of certain chemicals on humans and the environment, there is a growing trend in the chemicals industry to shift towards what is known as "green" chemicals or more accurately sustainable chemistry. These are products which are bio-degradable and which show a significant reduction in environmental impact when applied – this can be either through reducing energy and water consumption in the process or reducing the chemical and biochemical oxygen demand of the waste generated which reduces treatment costs and is kinder to the environment. The global green chemicals market is expected to grow to approximately USD 40 billion to USD 50 billion by 2025 at a CAGR of 10.5% from USD 25 billion to USD 27 billion in 2019.

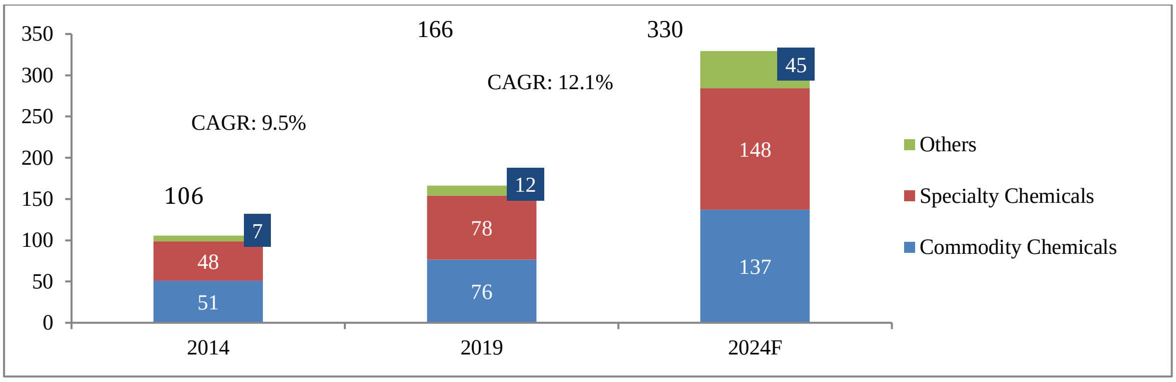
Impact of COVID 19 on shift in manufacturing to India

Global manufacturers have initiated talks with Indian firms to explore the possibility of shifting a part of their supply chains from China as they seek to diversify their operations following the Covid-19 outbreak. In the chemicals sector, India could become global specialty chemical export hub. The key growth accelerator would be India's readiness in responding to the strong demand of key global markets to de-risk their supply chain by diversifying their base beyond China. The tightening of environmental protection norms in China since January 2015 resulting in increase in operating costs, closure and relocation of manufacturing facilities along with rising labour costs and the recent trade dispute between China and United States have reduced Chinese exports and resulted in shifting the source of key raw materials from China to India. Indian companies were also heavily reliant on China which, over the years, has emerged as a manufacturing powerhouse. These companies suffered huge losses as bulk of the supplies from China was staled owing to pandemic making Indian companies adopt the strategy of local sourcing. Local sourcing and global companies shifting base to India is expected to boost manufacturing sector of India. In a nutshell, India is on a growth trajectory with Indian companies opting for local sourcing and bulk of global companies shifting their base to India.

India Chemical Industry Overview

The Indian chemicals market is valued at USD 166 billion (approximately 4% share in the global chemical industry) with the commodity chemicals accounting for almost 46% of such share. It is expected to reach approximately USD 330 billion in the next 5 years, with an anticipated growth of approximately 12% CAGR. The specialty chemical industry forms approximately 47% of the domestic chemical market, which is expected to grow at a CAGR of around 11 to 12% over the same period. Agrochemicals and fertilizers account for 18 to 20% of the domestic chemicals market and around 38% of the specialty chemicals domain, which constitute of various differentiated chemicals used in the agrochemicals space including pesticides, herbicides etc. Pharmaceutical API make up for the second largest share of around 20% of the specialty chemical market with an anticipated growth of over 11% by 2025 (forecast).

The Indian Chemicals Market, 2014, 2019 and 2025 (forecast) (USD billion)



Source: Frost & Sullivan

Note: Indian chemical industry generally showcases agrochemicals & fertilizers and pharmaceuticals API outside of specialty chemicals. However, in the above graph, in the specialty chemicals section is inclusive of the two mentioned categories, in order to maintain consistency with the global section. Agrochemical & fertilizer and pharmaceuticals API contribute to more than 55% of the specialty chemical space in India. Others mainly includes biotechnology.

	Commodity Chemicals	Specialty Chemicals	Others
2014 - 2019	8.5%	10.3%	11.4%
2019 2025 (forecast)	10.2%	11.2%	22.4%

India Specialty Chemicals Market

Speciality chemicals find application in home and personal care chemicals, water treatment chemicals, construction chemicals, agrochemicals etc. The growth of the market is in conjunction with the overall growth of the Indian economy. Aarti Industries, Atul Limited, Vinati Organics, Alkyl Amines, Navin Fluorine are the bigger players prevalent in the Indian Specialty chemicals market.

The "Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Through incentives, subsidies and grants under this campaign, Indian companies could gain further ground as companies would want to reduce dependence on China after the COVID-19 pandemic and shift their supply chains.

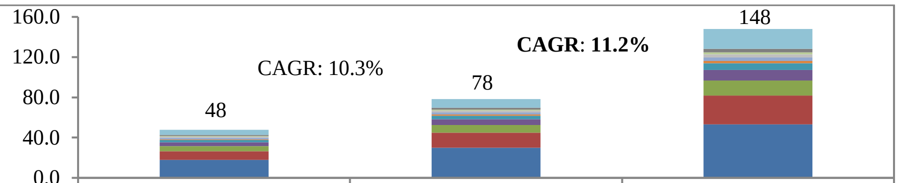
Industry with high entry barriers

Due to the involvement of complex chemistries in the manufacturing of products and complex production processes requiring high levels of technical knowledge and research and development capabilities, the specialty chemicals industry observes a high barrier for new entrants.

Given the nature of the application of products and the complex processes involved the products are subject to very sensitive and rigorous product approval systems with stringent impurity specifications.

Market Segmentation– by Industry and Application Type

Indian Specialty Chemicals Market, Value (USD billion), 2014, 2019 and 2025 (forecast)



	2014	2019	2025F
Others	5.1	8.6	19.5
Flavours & Fragrances Ingredients	1.1	1.8	3.7
Construction Chemicals	0.6	1.0	1.9
Water Treatment Chemicals	1.3	1.9	3.1
Textile Chemicals	1.5	2.0	3.5
Personal Care Ingredients	0.7	1.2	2.2
Home Care Ingredients	2.1	3.4	6.5
Paints & Coatings Additives	3.8	5.8	10.7
Dyes and Pigments	5.3	7.8	14.9
Pharmaceutical API	8.6	14.9	28.5
Agrochemicals & Fertilizers	17.9	29.9	53.3

Others include: Sealants and Adhesives, Polymer Additives etc.

Note: Indian chemical industry generally showcases agrochemicals & fertilizers and pharmaceuticals API outside of specialty chemicals. However, in the above graph, the specialty chemicals section is inclusive of the two mentioned categories, in order to maintain consistency with the global section. Agrochemical & fertilizer and pharmaceuticals API contribute to more than 55% of the specialty chemical space in India.

Five year growth forecast, by key industries, highlighting key factors driving growth

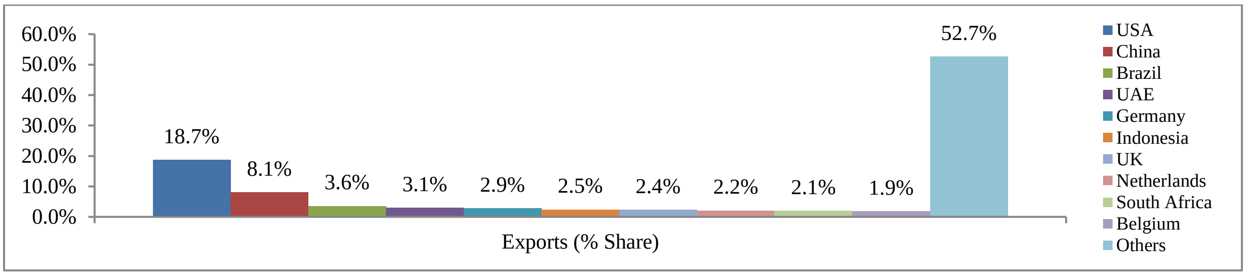
Segments	Key Growth Drivers	India Market, (2019 – 2025 CAGR)
Agrochemicals & Fertilizers	Increase in awareness levels of farmers. Improvement in rural income encouraged by various government schemes. DBT (Direct Benefit Transfer) allows for direct transfer of benefit or subsidy to citizens living below poverty line.	10.1%
Pharmaceuticals Ingredients (API)	India supplying key drugs for treatment of Covid-19 across the world.	11.3%

Segments	Key Growth Drivers	India Market, (2019 – 2025 CAGR)
	Growing demand for generic drugs globally, with India being the largest provider of generic drugs results in higher demand for domestic consumption of pharmaceuticals chemicals. The Government of India has launched the "Production Linked Incentive" (PLI) Scheme for promotion of domestic manufacturing.	
Construction Chemicals	Growth in Indian construction industry over the next five years, driven by housing and infrastructure projects. Increase in adoption of global standards of construction in India will lead to growth of this market.	10.5%
Paints & Coatings Additives	Growth in per capita paint consumption in India. Strong growth in automotive industry.	10.8%
Water Treatment Chemicals	The growing urban population is adding to the demand for water purification and waste-water management.	8.6%
Textile Chemicals	Driven by domestic demand and exports of high quality textiles.	8.9%
Flavours & Fragrances Ingredients	Marketing by FMCG companies has created demand for segments such as deodorants, room fresheners and perfumed soaps in rural markets. Increasing demand for processed food.	12.8%
Home Care Ingredients	Growth in population and per capita income to drive growth in this segment. Growth in demand for safety and hygiene in urban as well as rural areas.	11.4%
Personal Care Ingredients	Growth in population and per capita income to drive growth in this segment. Rapid increase in the adoption of personal care products, especially in rural markets.	11.1%
Dyes & Pigments	The current strategy of most European pigment producers is to use their local facilities for high-end performance colorants for new and niche markets and source non differentiated dye, pigments from low-cost facilities based in China and India.	11.4%

India Trade Scenario

According to World Integrated Trade Solution (under World Bank), in 2018, the top partner countries and regions to which India exported chemicals were the United States, China, Brazil, United Arab Emirates and Germany. While India exported chemicals worth USD 44.6 billion in 2018, over 35% of such exports were to the mentioned five countries. Moreover, in 2018, the top countries and regions to which most chemicals were exported across the globe were the United States, China, Germany, Belgium and Switzerland, which contributed to approximately 37% of the world's exported chemicals.

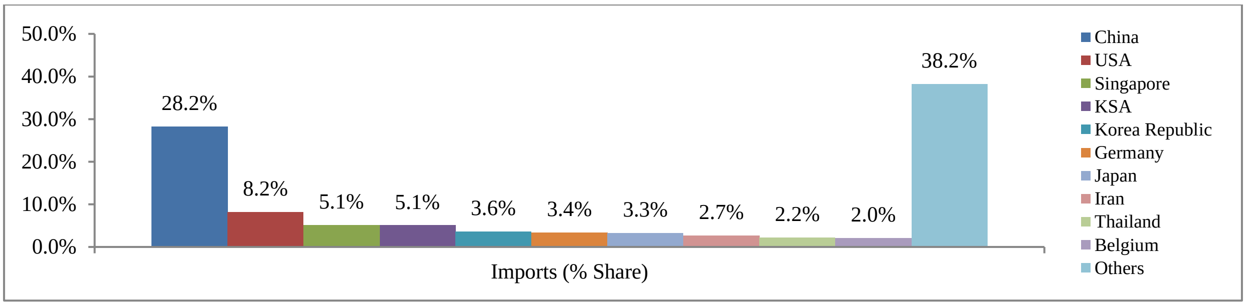
Indian chemical exports by country, 2018, Value (USD 44.6 billion)



Source: wits.worldbank.org

In 2018, the top partner countries and regions from which India imported chemicals included China, United States, Singapore, Saudi Arabia and Korea Republic. Indian imports were valued at USD 57.9 billion, with China contributing to almost 28% of India's total imports. Moreover, in 2018, the top countries and regions from where chemicals were imported across the globe were Germany, United States, China, Ireland and France contributing to over 40% of the world's imported chemicals.

Indian chemical imports by country, 2018, Value (USD 57.9 billion)

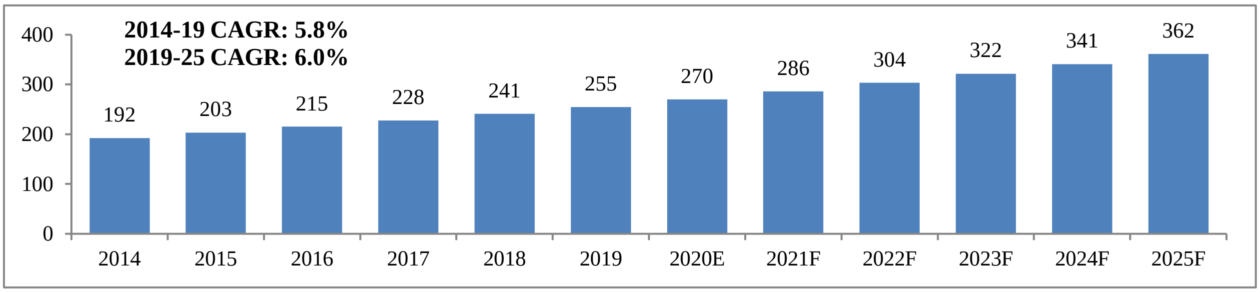


Source: wits.worldbank.org

Global Personal Care Market

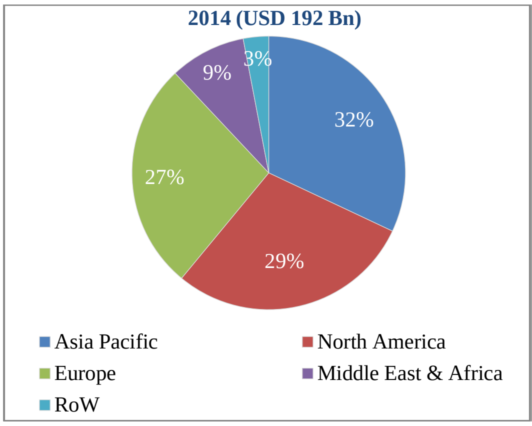
The global personal care market has shown a steady growth of 5.8% till Fiscal 2019 and is expected to grow at 6% between 2019 and 2025. The main drivers are increasing disposable income, growing middle class and other trends such as men's grooming and increased hygiene awareness. With increasing internet penetration and social media, cosmetics and skin care products are expected to drive the market of personal care products across the globe.

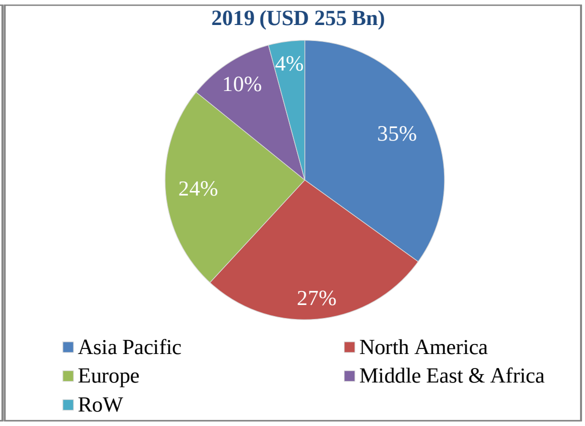
Global Personal Care: Historic & Future (USD billion), 2014-2025 (forecast)

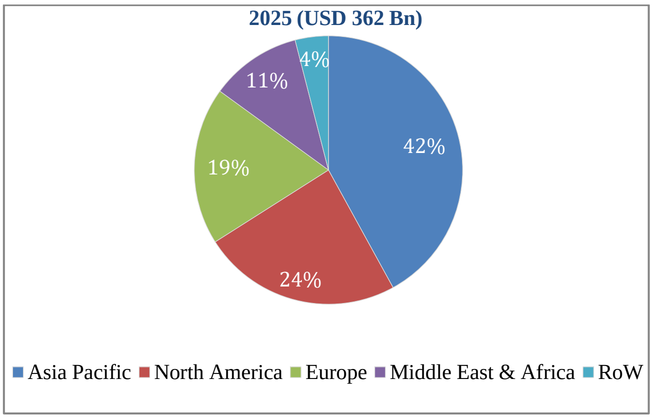


Source: Frost & Sullivan

Global Personal Care Market – By Geography, 2014, 2019, 2025 (forecast)







Source: Frost & Sullivan

	APAC	North America	Europe	MEA	Rest of the world	World
2014 - 2019	8.9%	4.0%	2.8%	8.7%	5.5%	5.8%
2019 – 2025 (forecast)	9.3%	4.0%	2.0%	7.7%	5.2%	6.0%

<u>Asia Pacific: </u>Asia Pacific holds 35% market share globally. In the region, countries such as China, India, and Vietnam present considerable growth opportunities for the market players, primarily due to the growing millennial population. The region's market growth is propelled by the growing number of upgraded products providing enhanced efficacy, consistent investments by international companies, and the retailing environment's development. Sales in the region is being fuelled predominantly by population growth, urbanization and increased per capita spending power. Products with functional benefits are highly popular in Asia due to the Korean brands which emphasize on natural & traditional Korean herbs and other extracts are extensively used.

<u>North America: </u>Owing to extreme cold climate and increased skin care consciousness among end users, there is a growing demand for beauty products in North America, with skin care market expected to grow at 2.5% to 3% between 2020 to 2025. In the USA, since 2016, the number of cosmetic stores operational has increased by 3% to 4% each year, indicating growth in personal care industry. The increasing online presence of beauty and personal care products has led to considerable digital investment in the United States.

The health & wellness trends have gained prominence in the United States, due to the increased consumer awareness regarding the choice of ingredients in the products.

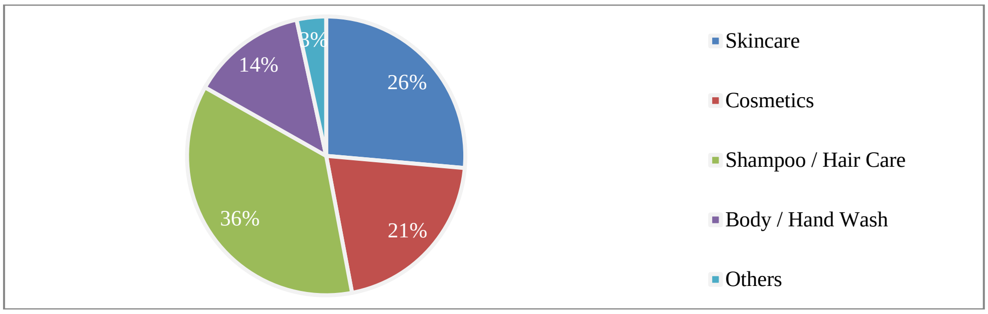
<u>Europe: </u>Europe is expected to see a rise in consumption of high-end cosmetic products such as beauty balm creams, premium lipsticks and foundations. In Europe, about 72% of consumers across all age brackets use beauty and personal care products as they strongly believe it is the key to maintain a healthy and hygienic life.

Latin America: Growing internet users in countries such as Brazil has changed the advertisement spending strategy of key players. Key players like L'Oreal are shifting its strategy to focus on creating an emotional content for digital advertisement instead of conventional platforms such as magazines and newspapers.

Middle East & Africa: There is a changing mind-set prevalent among Generation Y and millennials in the Middle East Region. There is an increasing shift or trend of 'skin care as health,' propelling the growth of organic and natural products. There has been a rising popularity of anti-aging, anti-pollution, and anti-stress products in the region.

Global Personal Care Market – By Product Segment

Global Personal Care: By Product Segment (USD billion), 2019 – USD 255 billion



Source: Frost & Sullivan

Skincare: Face Cream (skin whitening, anti-ageing, anti-wrinkle among others), Moisturisers, Sunscreen, Body Lotion, Others
Cosmetics: Deodorants, Fragrances, Nail Care, Makeup and Color Cosmetics, Others
Hair Care: Shampoo, Hair Color, Conditioner, Hair Styling Product, Hair Oil, Others
Body Wash: Bath Soaps, Body Wash/Shower Gel, Hand Wash, Sanitizers, Others
Others: Oral Care, Face Wash, Others

Skin Care: The skin care segment has a wide variety of products available on the market including sunscreens, anti-aging creams, body lotions and skin brightening creams. Rising awareness regarding the various benefits of using personal care products has resulted in a rise in their demand over the last few years. Escalating demand for face creams, sunscreens, and body lotions across the globe is expected to have a positive impact on the market over the forecast period. Shifting consumer preference toward natural and organic goods coupled with growing usage of environmentally safe products is also expected to fuel the market development.

The sun care products market is anticipated to be the fastest-growing segment within the skin care industry, driven by the rise in consumer awareness related to skin cancer and ageing associated with exposure to ultraviolet rays. The global sun care products market was worth USD 11.5 billion in 2019 and expected to grow at a CAGR of 3.5% to reach at a value of USD 14.1 billion by 2025.

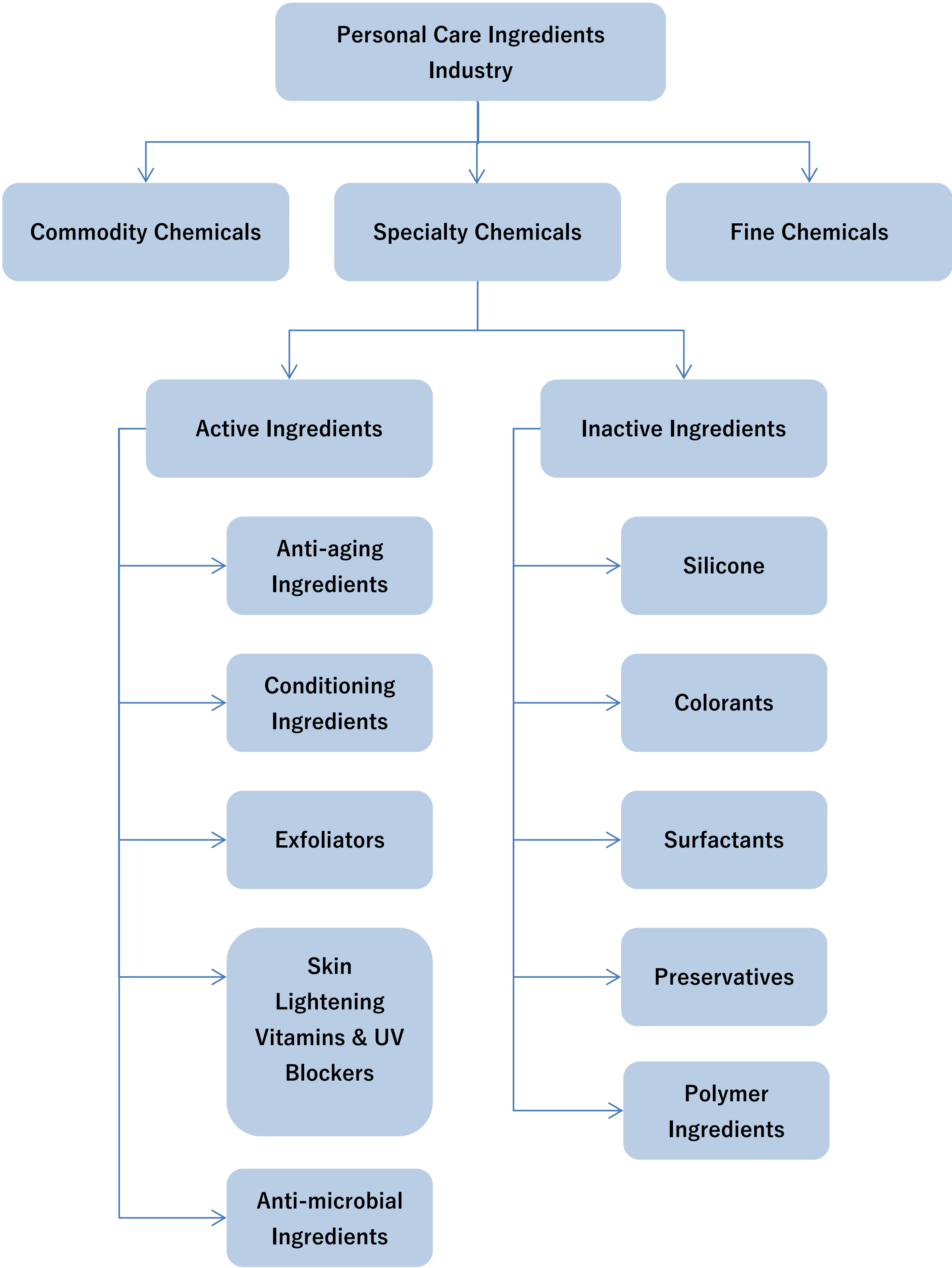
Cosmetics: Presently, cosmetics have become an indispensable feature of modern lifestyle of individuals. In addition, growth in consciousness about external beauty has become one of the major driving factors for use of cosmetics in the global market. Manufacturers are changing their product branding and advertising strategies to accelerate their sales across various countries. Innovative strategies such as new product launches with natural ingredients and appealing packaging have been adopted by manufacturing companies to increase sales of their cosmetics products. Use of natural ingredients for manufacturing of cosmetics products, which does not have any adverse effect on skin, is a popular strategy of manufacturers to attract more customers.

Hair Care: Growing trends in the fashion industry and rising hair-related problems coupled with technological innovation in product manufacturing are some of the factors driving demand for hair care products. Shampoo held the largest share in the product segment due to rising consumer awareness on the benefits of organic and natural shampoo. The increasing air pollution coupled with a high adoption rate of shampoo in daily use is attributed to the largest market share. Hair colour is expected to witness the fastest growing product over the forecast period owing to the changing fashion trend.

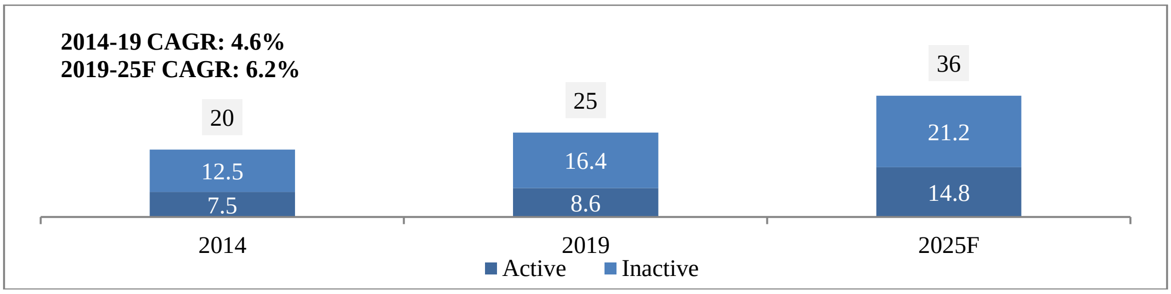
Body Wash/Hand Wash: The body wash market is primarily driven by increasing awareness about health and hygiene among people around the world. The rising awareness about personal hygiene and cleanliness and the increasing demand for soap and soap products stands as a major factor promoting the bath and shower products market growth. The outbreak of the Covid-19 pandemic is resulting in the rapid shift of a large number of companies, such as agriculture, beauty products, skincare, and liquor in producing alcohol-based sanitizers to meet the increasing demand.

Global Personal Care Ingredients Market Overview

The market for personal care ingredients is broadly classified into commodity chemicals, fine chemicals, and specialty chemicals ingredients. Specialty ingredients are further classified as active and inactive ingredients based on their functionality in consumer products.



Global Personal Care Ingredients Market, Value (USD billion), 2014, 2019 and 2025 (forecast)

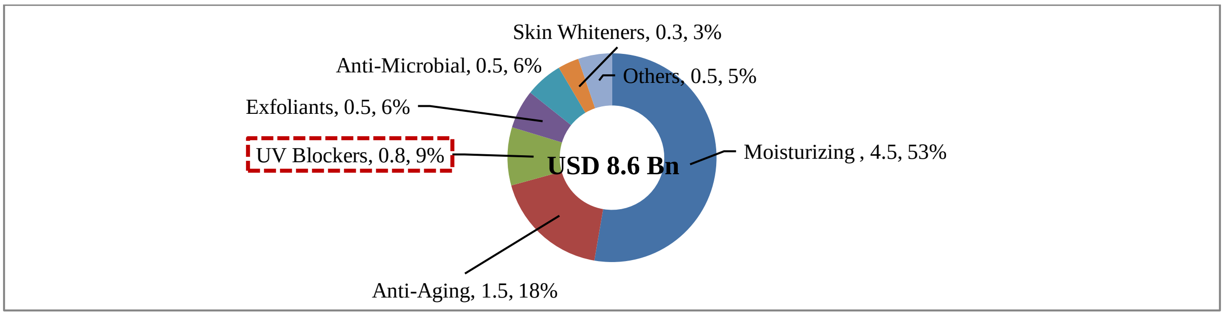


Source: Frost & Sullivan

The global personal care active ingredients market accounts for approximately1% of total specialty chemicals market. The personal care ingredients market was historically sized at approximately USD 20 billion in 2014 and was pegged at USD 25 billion in 2019, recording a growth rate of CAGR 4.6%. Currently, the active ingredients constitute about 35% of specialty personal care ingredients market. This share is expected to increase with increasing consumer awareness and a growing demand for dedicated personal care products. Personal care products, particularly anti-aging products, conditioning and other functionalities such as ultraviolet filter ingredients are expected to steer the growth of active ingredients. This coupled with the global market shift toward natural active ingredients for personal care products is expected to make active ingredients all the more attractive.

Global UV Blockers/ UV Absorbers market Overview

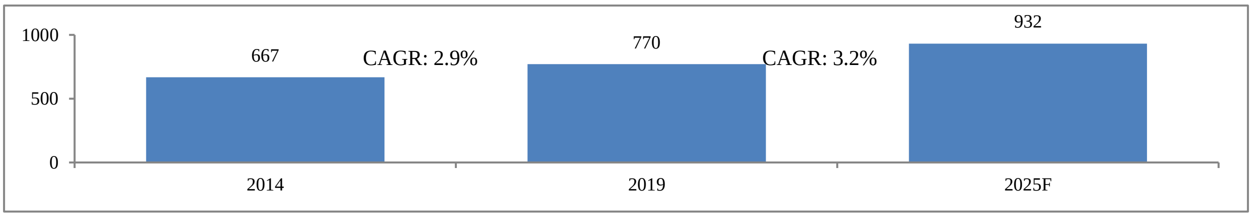
Global Active Personal Care Ingredients Market by Product Type, Value (USD billion), 2019



Source: Frost & Sullivan

The global ultraviolet blocker market for personal care products is valued at approximately USD 770 million and is expected to reach USD 932 million by 2025, at a forecasted growth of CAGR of 3.2% by value from 2019 to 2025. The major drivers of growth for this market are increasing awareness of consumers about the potentially harmful effects of UV rays. The world is constantly changing and sun protection is no longer limited to traditional sun care products. Consumers are increasingly aware of the effects of ultraviolet radiation on skin health and appearance, which is driving the demand for sunscreen ingredients worldwide. The emerging economies such as China and India witness an increased demand for high end and luxury products as a result of increase in disposable income and living standard. Japan and South Korea have well established industry of cosmetics which will provide a significant share to the region.

Global UV Blockers/ UV Absorbers Market Overview (USD million)

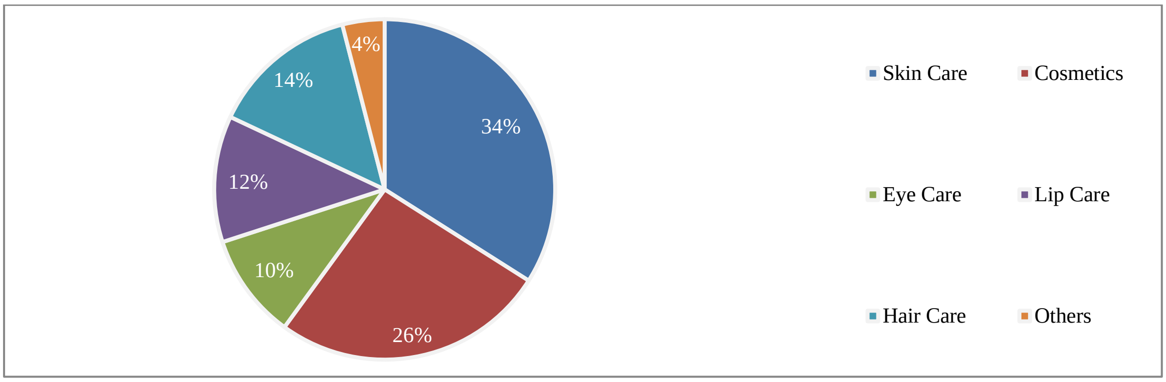


Source: Frost & Sullivan

Rising consumer awareness about the importance of sun protection products and introduction of new skin protection products that are more effective are the key factors driving growth. Exposure to ultraviolet radiations is the major reason behind premature aging of skin and can also lead to skin cancer. According to reports by the WHO, further decrease in stratospheric ozone by 10% can lead to additional 300,000 victims of non-melanoma and 4,500 additional cases of melanoma cancer across the globe annually. Therefore, sun care products have become vital for the consumers to protect their skin from harmful effects of ultraviolet radiations. To deal with the rising concerns, sun protection products such as lotions, creams, gels and beauty balms are launched into the market with varying SPF levels for different skin types and consumer requirements.

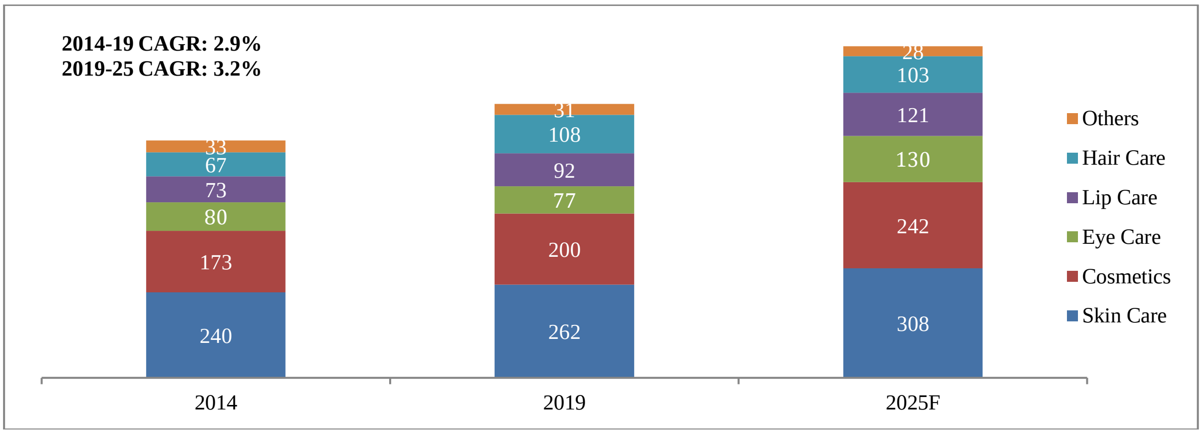
Global UV Blockers/ UV Absorbers market – By Product Segment

Global UV Blockers/ UV Absorbers Market By Product Segment, 2019, USD 770 million



Source: Frost & Sullivan
Note: Cosmetics: nail care, makeup and colour cosmetics
Others: Deodorants, fragrances, etc,

Global ultraviolet blockers/ ultraviolet absorbers, market by product segment, 2014, 2019, 2025 (forecast), USD 667 million, USD 770 million, USD 932 million



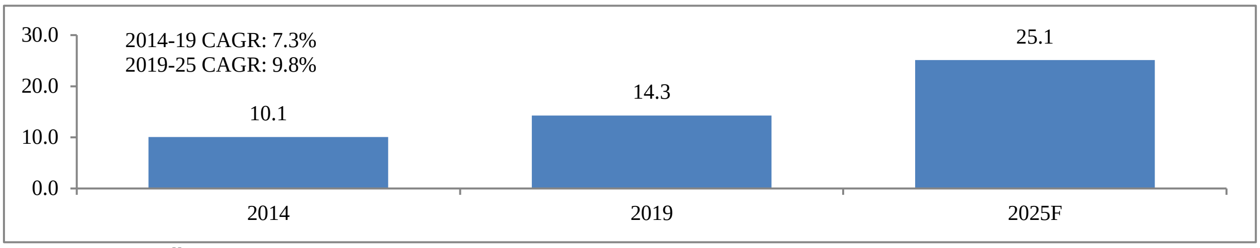
Source: Frost & Sullivan
Note: Cosmetics: Nail care, makeup and colour cosmetics
Others: Deodorants, fragrances, etc,

Ultraviolet filters account for 9% of the global active ingredients market. The major consumption of ultraviolet filters or absorbers are in the skin care (majorly dominated by sunscreens) and cosmetics (having sun protection properties) segment and the same trend is expected to continue in the future as well.

India Personal Care Market

The personal care industry in India is estimated to be USD 14.3 billion and is expected to grow at a CAGR of 9.8% to USD 25 billion in 2025. The personal care industry is one of the fastest growing consumer products sectors in India with a strong potential for foreign companies. The personal care sector in India has shown continued strong growth, with increasing shelf space in retail stores and boutiques in India, stocking products from around the world. Increasing disposable income and young rising middle class are significant factors driving the market in the country.

India Personal Care Market Overview (USD billion) 2014-2025 (forecast)

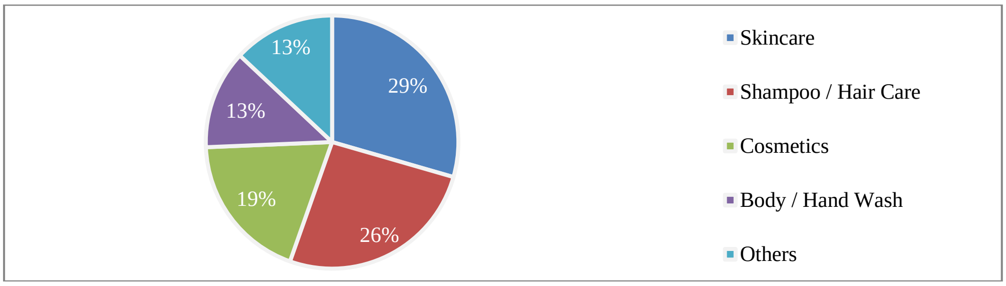


Source: Frost & Sullivan

Overall, the market is moving towards premiumization, with premium segment growing at 6 to 7%, as compared to 1 to 2% for mass market products. Indian brands have a sizeable presence in the mass market category, while premium markets are largely dominated by the international brands.

India Personal Care Market – By Product Segment

India Personal Care: By Product Segment (USD billion), 2019 – USD 14.3 billion



Source: Frost & Sullivan

Skin Care & Cosmetics: In India, there is an observed shift towards physical well-being through the use of natural, organic, anti-fatigue, anti-pollution and anti-ageing products. There is a rising demand for ingredients that are perceived as "natural". From cruelty-free and vegan ingredients to sustainably sourced and organic beauty ingredients, people are looking for cosmetics, body care and skin care brands that align with their values. Such trends have driven start-ups such as skin craft. In the natural and organic personal care category, India is projected to display a robust growth represented by a CAGR of 20% by value during 2019-2024.

The annual retail sales of cosmetic products are expected to grow at 6 to 8% between 2019 and 2025. Indian cosmetic brands continue to harness the power of natural blends and organic ingredients. A significant segment of this demand is for products that suit Indian skin types which remains unfulfilled by international brands, providing the perfect opportunity for local companies. Some of the bigger home-grown names include Khadi Essentials Plum, Mama Earth, Kama Ayurveda, Forest Essentials, Soul Tree, Dr Sheth's, Neemli Naturals and Juicy Chemistry, among others.

Men's Grooming: With a growing male population indulging in self-care, India is observing a growth in men grooming essentials. The consumption of hair gel increased at a rate of 8-10% in India driven by growing millennial population and larger audience using hair gels. Growing men's grooming has positively impacted the growth of the skin care and hair care mainly.

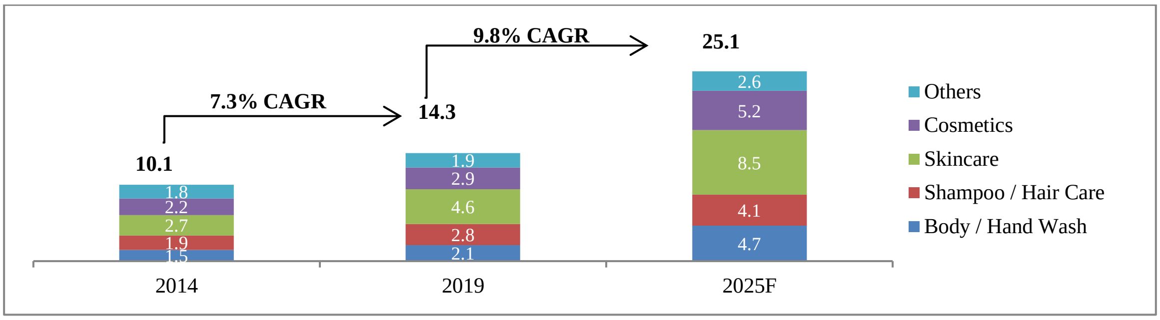
Hair Care: During the Covid-19 induced lockdown, the hair care market registered good growth. Most sales have been registered in the hair colour market as people were not able to access parlours and preferred to colour their hair at home. Hair care market also registered good growth rates as people continued to shampoo and condition their hair irrespective to lockdown. Hair colour market grew by 15 to 20% whereas the hair care market (shampoo, conditioners, etc.) grew by 10%

Bath and Body Wash: This category also registered good sales. Soaps have registered highest sales growth. Body wash has also registered increase in sales, especially in Tier I cities.

Other products such as facial kits, bleaches, hair removal creams, etc. have registered higher sales during 2020, again as people are unable to visit parlours and used home kits instead.

India Personal Care Market – Forecast

Indian Personal Care Market Forecast, Value (USD billion), 2014, 2019, 2025 (forecast)



Source: Frost & Sullivan

CAGR	Body / Hand Wash	Hair Care	Skin Care	Cosmetics	Others	Total
2014-19	**7.4%**	**7.2%**	**10.6%**	**5.6%**	**2.0%**	**7.3%**
2019 – 2025 (forecast)	**13.8%**	**9.3%**	**11.6%**	**8.9%**	**3.6%**	**9.8%**

The Indian skin care market stood at USD 4.2 billion in 2019 and is projected to reach USD 8.1 billion by 2025. Rising disposable income and rising number of working women has led to an increased demand for skin care products across all age groups, especially in the younger population in India. Emergence of online brands such as Nykaa and Purplle and an increasing penetration of internet are resulting in a growing presence of online retail in the skin care market. Online purchase and growing importance of peer feedback and product reviews facilitate purchase decisions.

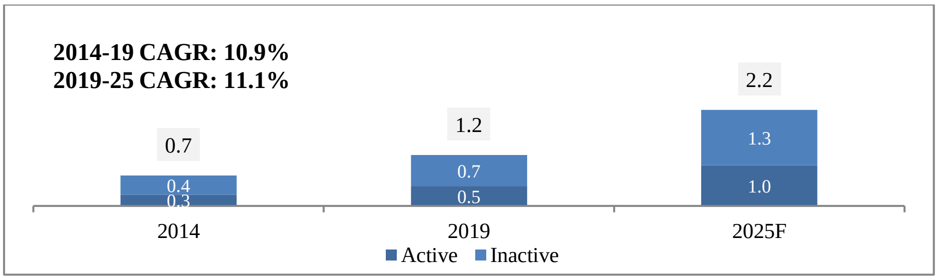
Untapped rural markets represent potential opportunity for the players in the Indian market, with around 50% of rural population aged below 25 years.

Hand sanitization is a recommended method for controlling wide spread of virus and safety of individuals. Consequently, there has been an exponential rise in sale of hand wash products owing to which the body/hand wash category expected to witness a growth of 13.8% between 2019 and 2025. As a ripple effect, skincare products such as hand creams and moisturizers have witnessed growth in demand due to frequent hand washing. This has resulted in higher demand for moisturizing agents. While the cosmetics market is expected to grow at a CAGR of over 8.9%, the hair care market will experience the growth of over 9.3% CAGR through the forecast period.

Indian personal care ingredients market

The Indian market for personal care ingredients grew at over 10% CAGR over the last five years, from USD 0.7 billion in 2014 to USD 1.2 billion in 2019. The growth during 2014 to 2019 was primarily driven by improvements in the economic environment and increasing the purchasing power of the Indian population. Over the next five years, the industry is expected to grow at approximately 11% to reach USD 2.2 billion by 2025.

Indian Personal Care Ingredients Market, Value (USD billion), 2014, 2019 and 2025 (forecast)



Source: Frost & Sullivan

Currently, active ingredients constitute about 39% of personal care ingredients market. This share is expected to increase with increasing consumer awareness about the ingredients and higher penetration of premium products. India is also witnessing increasing consumption of higher end, discretionary and prestige products, which typically use higher value active ingredients driving growth in the ingredients market. For instance, nearly 50% of the total new launches in the personal care space were premium brands driven by increase in disposable income, rising young working population and growth in organized retail.

India Personal Care Ingredients Market – Growth Drivers

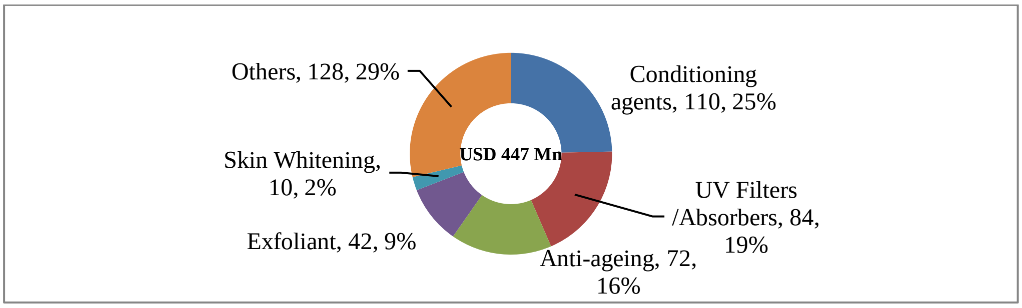
Growing awareness leading to an increase in consumer demand: High awareness on the harmful effects of sun exposure has resulted in the sales of sun care products and is expected to continue to do so till 2023. With respect to ingredients, consumers do not want products laden with unnecessary ingredients.

Increasing demand for personal care products among men: Traditionally, women have been the major consumers of personal care products. However, since the last few years, men are increasingly becoming conscious of their appearance and are willing to purchase suitable cosmetic products. As men are spending more money and effort on their appearance, companies are keen to invest in innovation of male grooming products.

Premiumization: Premium segments in India are showing good growth potential with increasing awareness and evolving consumers who are ready to spend more on quality products.

India UV Blockers/ UV Absorbers market overview

Segmentation of Indian Active Personal Care Ingredients Market by Product Type, Value (USD million), 2019

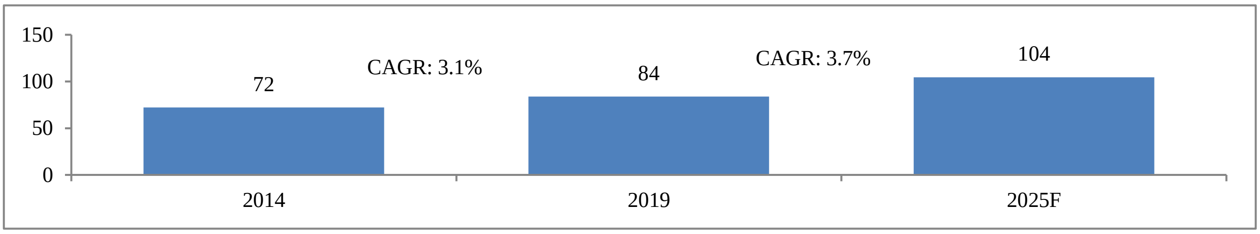


Source: Frost & Sullivan

Active ingredients comprise of conditioning agents, ultraviolet ingredients, anti-ageing ingredients, exfoliants and others. Currently, the largest segment within actives is conditioning agents, which has a 25% market share. This is followed by ultraviolet ingredients, with a 19% market share. However, these categories are now reaching saturation levels, and are expected to witness steady, single digit growth rate. Anti-ageing ingredients and exfoliants have approximately 16% and approximately 9% share, respectively and are expected to grow at a much more rapid pace.

The future of the ultraviolet absorber market for personal care products in India looks promising, comprising of approximately USD 84 million of the total Indian personal care ingredients market. The global ultraviolet blocker market for personal care products is expected to reach USD 104 million by 2025, forecast to grow at a CAGR of 3.7% by value from 2019 to 2025.

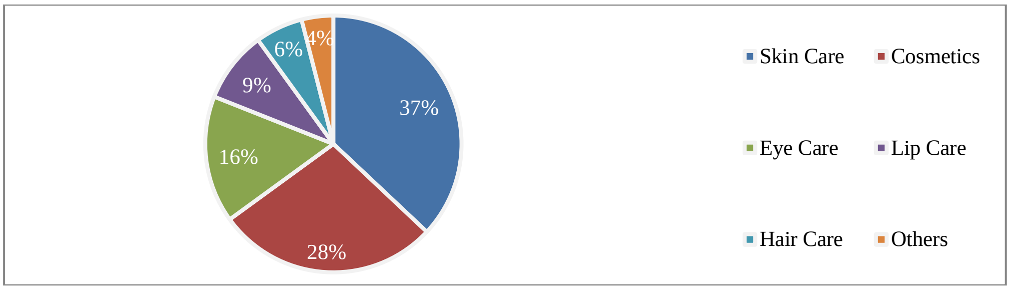
India UV Blockers/ UV Absorbers Market Overview (USD million)



Source: Frost & Sullivan

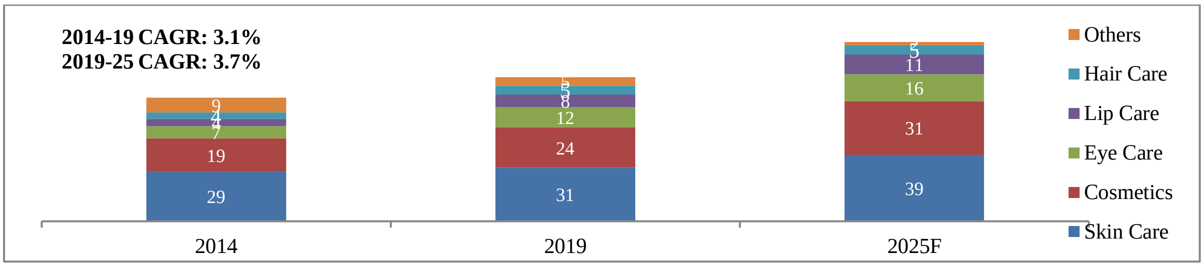
India UV Blockers/ UV Absorbers market – By Product Segment

India UV Blockers/ UV Absorbers Market By Product Segment, 2019



Source: Frost & Sullivan

India UV Blockers/ UV Absorbers Market By Product Segment, 2014, 2019, 2025 (forecast)

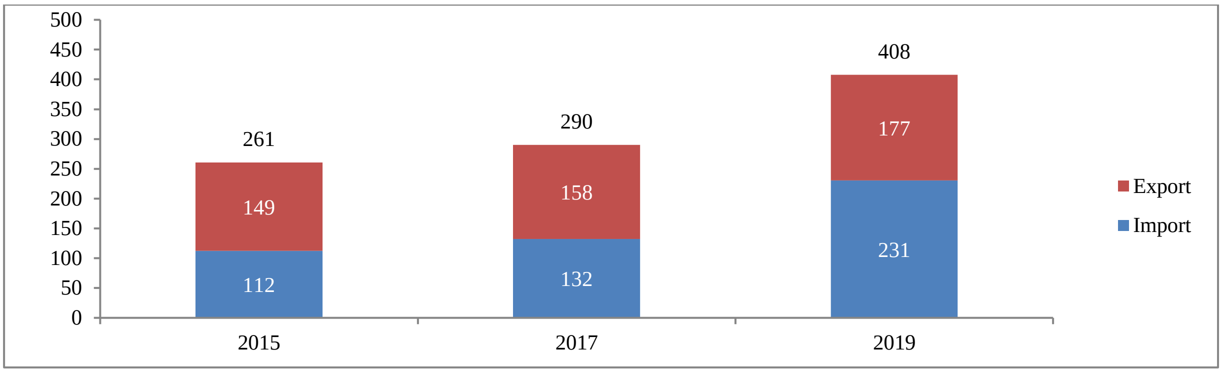


Source: Frost & Sullivan

Skin care and cosmetics make up for more than 50% of the market. While these two continue to dominate the market in the coming years, the eye care and lip care segment will also see a good demand growth as consumers are increasingly becoming aware of the benefits of these products to keep the skin over the lips and around the eyes free from decolorizing.

India Trade Scenario for Personal Care products - Beauty and Skin

India Trade Scenario for Personal Care (USD million), 2015, 2017, 2019



Source: Frost & Sullivan
**Products included as per trade data in personal care are beauty or make-up preparations and preparations for the care of the skin, incl. sunscreen or suntan preparations (excluding medicaments); manicure or pedicure preparations*

India is a net importing market for products in the personal care beauty market, with imports constantly increasing over last 10 years. While the imports grew at approximately 10% every 2 years, 2019 was an exception, with a 32% growth in import value from 2017. The major imports are products used in the sunscreen and suntan preparations. India is dependent on China, Indonesia, Malaysia, Belgium, Germany and USA, among other countries.

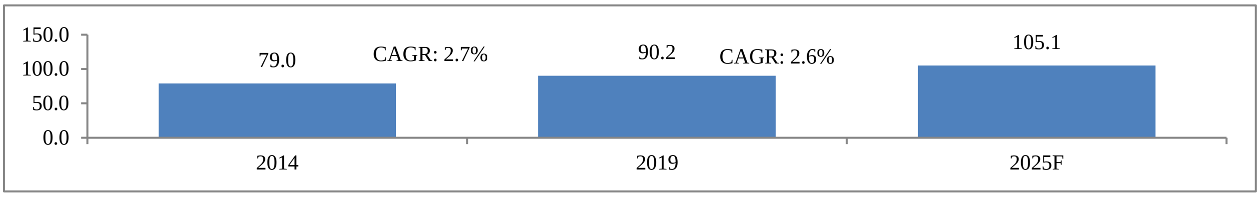
India contributes 0.3% of the total export market in this category and is one of the net exporters of skin care products, which includes cosmetics toiletries & essential oils. The largest importers from India are Nepal, USA, UAE, Bangladesh, Saudi Arabia, Sri Lanka Singapore and Pakistan, among others. India's export market grew at a rate of 3% in 2017 to 6% in 2019. After China, India is acknowledged to be the largest exporter of herbal cosmetics to the world market. India exports natural and herbal cosmetic products to countries like the UAE, the USA, the Netherlands, Saudi Arabia, Germany, Japan, Malaysia, Nepal, Sri Lanka, UK, China, Indonesia, France, Russia and Italy.

Global Hair Care Market

Hair care products are formulated to help nourish and prevent hair damage resulting from dryness, pollution, and other factors. The hair care market is comprised of thousands of products, which include shampoos, conditioners, serums, colorants, sprays, etc., which are composed of both natural and synthetic ingredients in order to maintain healthy, lustrous and well-groomed hair.

Hair care is continuously engaged in research and development in order to formulate new, more effective and safe products.

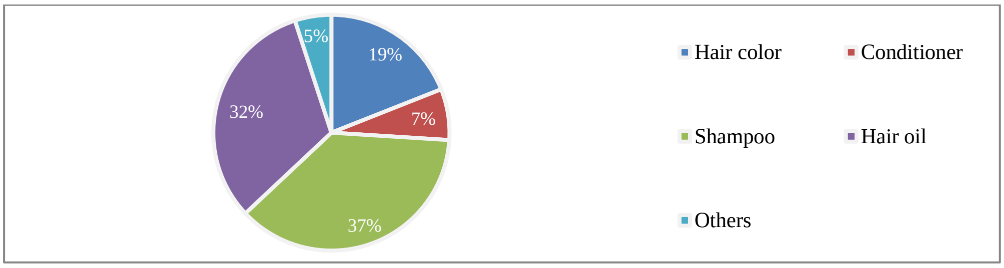
Global Hair Care Market Overview (USD billion)



Source: Frost & Sullivan

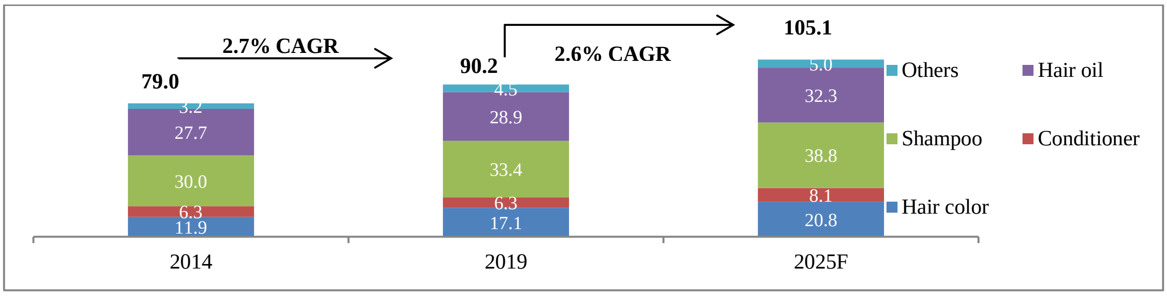
Global Hair Care market – By Product Segment

Global Hair Care Market By Product Segment, 2019, USD 90.2 billion



Source: Frost & Sullivan

Global Hair Care Market, 2014, 2019, 2025 (forecast), USD 79 billion, USD 90.2 billion, USD 105.1 billion



Source: Frost & Sullivan

Shampoo is the most commonly purchased hair product around the world, owing to rising air pollution and a high adoption rate in everyday usage. Hair care items such as styling products, conditioner, color, and shampoo are being prioritized by large multinational corporations. Due to increasing customer perception of the benefits of organic and natural shampoo, shampoo held the largest share in the product category. The largest market share can be attributed to rising air pollution combined with a high rate of shampoo adoption in everyday usage.

Growth Drivers

Growing world income and population: Growing disposable income among the emergent middle-class populace, the launch of many customized products, technological innovations in hair care products, increasing number of fashion-conscious users, an upsurge in male grooming, development in organized retail, comprehensive range of hair colors and aging population are the major drivers for the hair care market.

Demand for shampoo to escalate at a fast pace: Celebrity endorsements, the advent of organic products, and the high availability and ease of use of tiny travel-size packs, the shampoo market is expected to expand the most in this segment.

Applications of hair care products to surge in hair treatment: Hair treatment and scalp treatment are two different applications. The hair treatment segment is expected to take the lead in the global market due to rising demand for colorants, hair styling gels, hair spray, serums, hair growth products, hair accessories, and glazes.

Hair care products gain popularity among men: Female and male segments are the gender based segments. The growing popularity of long hair and grooming among men, especially in urban areas, is driving demand for various hair care products.

Salons to capture a higher share in the global market: Home care and salons are two of the report's top end users. Salons are constantly being renovated, putting home care providers in direct competition. Furthermore, salons that focus on data analytics and knowing their customers' needs in order to offer customized services to them will support the segment in the coming years.

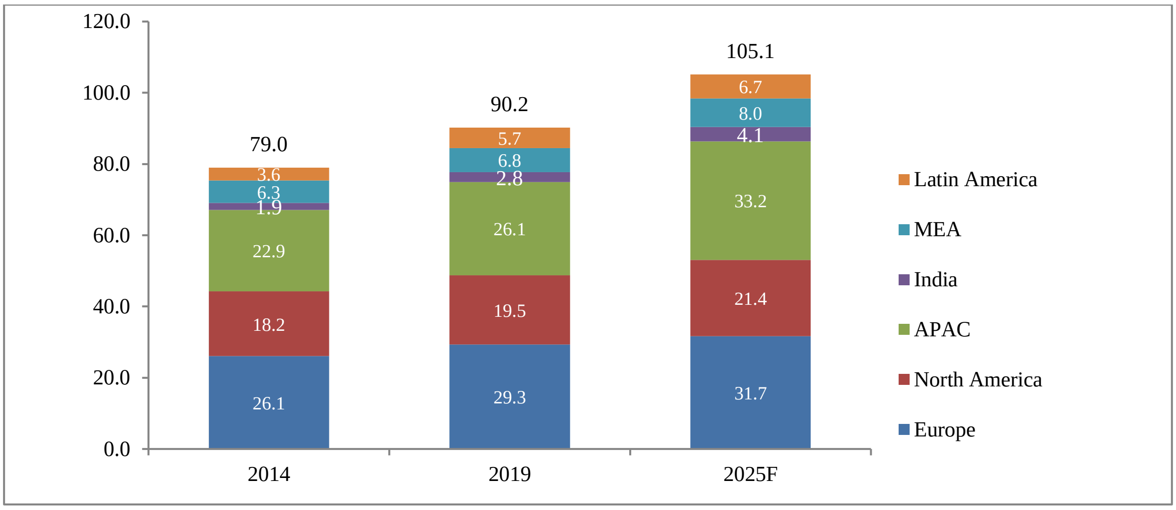
Investment in research & development: In order to formulate more effective and safer products, manufacturers are engaging in increasing number of activities related to research and development which, in turn, is contributing towards the market growth.

Increasing demand for organic and natural products: Consumer preference is shifting towards organic and herbal products, while being more inclined towards products formulated with botanical extracts such as essential oils, anti-oxidants, natural oils and fragrances. Manufacturers are now focusing on expanding their product portfolio to incorporate and offer hair care products that are infused with natural ingredients.

Global hair care market by geography

Europe to claim the top position

With a market share of approximately 31.5%, Europe is the most lucrative market for hair care. The presence of highly developed nations such as Italy and the United Kingdom, as well as the region's booming cosmetic industry, has resulted in strong market success. Europeans are known for their attention to beauty, particularly when it comes to hair and scalp nourishment.



Source: Frost & Sullivan

	Europe	North America	APAC	India	MEA	Latin America
2014 - 2019 CAGR	2.4%	1.4%	2.6%	8.1%	1.5%	9.6%
2019 - 2025 CAGR	1.3%	1.6%	4.1%	6.5%	2.7%	2.9%

Given the presence of fast-developing economies such as Australia, China, and India, the hair care market in Asia Pacific has a lot of room for development. The FMCG industry in India has grown dramatically over the years, boosting demand for hair care products such as conditioners, hair oil, shampoo, and more. The hair care industry is benefiting from increasing disposable income in India, as customers are able to buy luxury products with increased purchasing power. The Asia-Pacific hair care market is expected to hold the largest share in this category by 2025, due to the increasing middle-class population and rising disposable incomes. Japan, China, and India are the major markets in this region.

Latin America is anticipated to grow at a faster CAGR of 2.86% during the forecast period. Latin America Market includes countries like Brazil, Mexico, and others.

Key Players

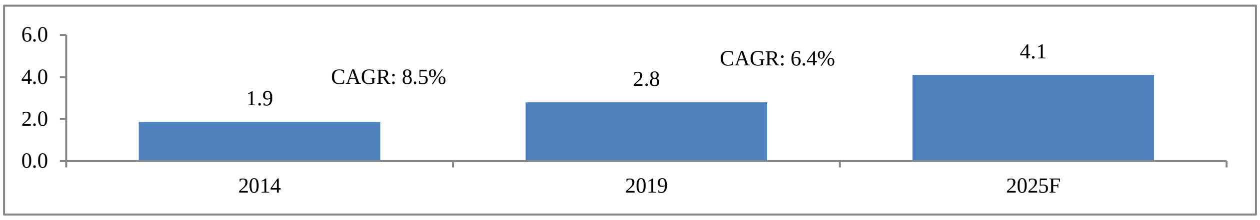
The market is highly fragmented with the presence of numerous small and large manufacturers who compete in terms of prices and quality. There is an intense competition in the market which makes it difficult for small players to survive. Some of the leading players operating in the market are Kao Corporation, L'Oréal, Procter & Gamble, Unilever, Johnson & Johnson among others.

India hair care market overview

During the forecast period, the Indian hair care market is expected to reach USD 4.1 billion, expanding at a CAGR of 6.45% from USD 2.8 billion in 2019. The main market driver has been described as changing customer trends combined with increased product awareness. The high millennial population, migration to cities, and increase in working women, are all contributing to such changes.

The India hair care market is driven by continuous technological developments in manufacturing of hair care products. In addition, upsurge in hair related problems owing to climatic changes and unhealthy lifestyles, among others, is anticipated to boost the hair care market during the forecast period. Moreover, growing popularity for natural and organic hair care products is positively influencing the growth of market.

India Hair Care Market, 2014, 2019, 2025 (forecast), USD billion



Source: Frost & Sullivan

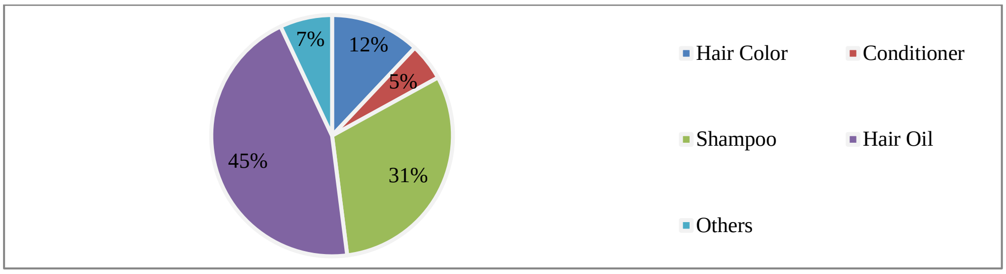
Key Players

In India, the major players in the hair care market include Marico, Shiseido India, Johnson & Johnson, Hindustan Unilever, Patanjali Ayurved, Himalaya, Amway India, Oriflame India, Procter & Gamble, L'Oreal India, Beiersdorf India, Lakmé and others. Such companies are adopting competitive strategies include mergers & acquisitions, partnership, agreements, and product developments in order to expand their geographic reach and to increase the customer bases.

India hair care market overview – By product segment

Increased product awareness in rural and semi-rural areas is driving market penetration, with companies eager to expand into new areas with goods sold in limited quantities at low prices. Hindustan Unilever maintained its market leadership, helped by the success of its flagship brands such as Dove and Sunsilk, while Patanjali Ayurved grew at the fastest pace.

India hair care market by product segment, 2019, USD 2.8 billion



Source: Frost & Sullivan

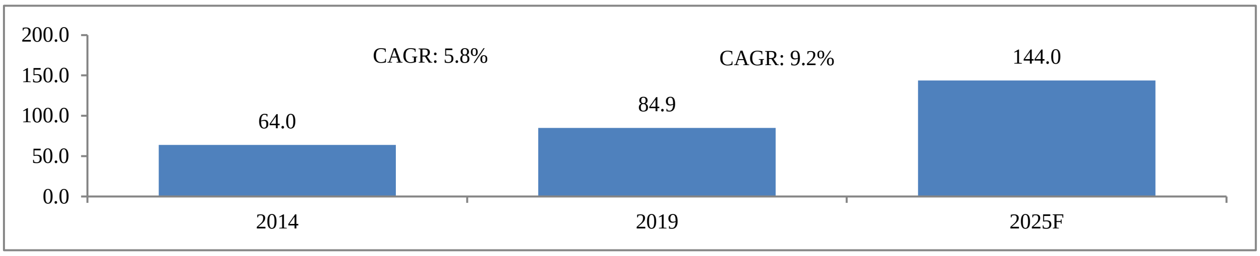
The shampoo and conditioner segment accounted for over 50% of the total hair care sales. Rise in pollution and dust makes hair frizzy, encouraging more urban and young population to indulge into hair washing and conditioning on a regular basis. The frequency of washing the hair has also increased from an interval of three to four days in the early 2010s to one to two days now.

Global and India market for anti-dandruff active

The antifungal agent piroctone olamine is an ethanolamine salt of the hydroxamic acid derivative piroctone. It is commonly used in anti-dandruff shampoos as a substitute for the compound zinc pyrithione. When used in conjunction with other ingredients in shampoos, piroctone olamine effectively reduced dandruff while also conditioning the hair.

The piroctone olamine market is divided into shampoo and hair care products, cosmetics, and washing products based on use. In 2019, the shampoo segment had the largest share of the piroctone olamine market (65%). The demand for piroctone olamine is directly proportional to the growth of the hair care segment. The global Piroctone Olamine market size is expected to gain market growth in the forecast period of 2019 to 2025, with a CAGR of 9.2% is expected to reach USD 144 Mn by 2025, from approximately USD 85 million in 2019.

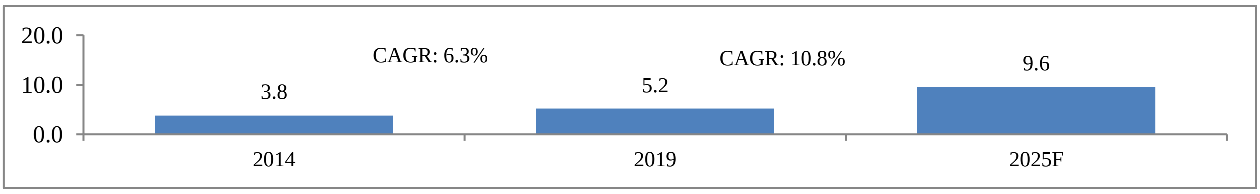
Global Market for Anti-dandruff Active - Piroctone Olamine (USD million), 2014, 2019, 2025 (forecast)



Source: Frost & Sullivan

The Asia Pacific piroctone olamine market was valued at approximately USD 24.7 million in 2019 and is projected to reach USD 55.5 million by 2025, with an expected growth rate of approximately 10.4%. India makes up for approximately 20 to 22% of the Asia Pacific market, contributing approximately USD 5.1 to 5.2 million, with the demand for these actives expected to grow at an approximate CAGR of 10.8%.

India Market for Anti-dandruff Active- Piroctone Olamine (USD million), 2014, 2019, 2025 (forecast)



Source: Frost & Sullivan

India anti-dandruff actives - Growth Drivers

Increasing young population

Growth opportunities in the market lie in the growing young population and their occurrence to control dandruff using shampoos. The rise in consciousness of using such chemical compound in shampoos formula, which has enormous benefits, is also making probabilities for the market's development.

Urbanization

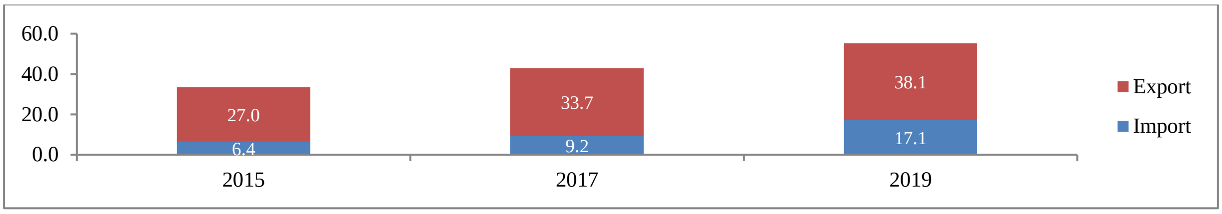
High disposable income and rising purchasing power are factors enabling consumers to spend more on personal and hair care products. Also, the growth of personal industries in India boosts the demand for personal care products such as shampoos, moisturizers, soaps and others.

Growing hair related problems

Due to consumers' exposure to extreme sunlight, unsanitary environment and other damaging chemicals in day-to-day life, there have been increasing worries over hair related issues.

India Hair Care – Trade Scenario

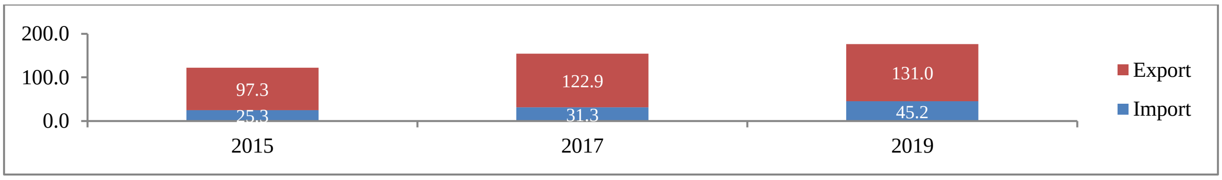
India Trade Scenario for Shampoos (USD million), 2015, 2017, 2019



Source: Frost & Sullivan

India is one of the largest exporters of shampoos, with an approximate trade of over USD 38 million in 2019 and with 8,000 to 8,500 tonnes of shampoo exported. The largest importers from India are USA, Australia, UAE, Singapore, Bangladesh, Nepal, Malaysia, and Indonesia, among others. As for imports, India is dependent on China, Thailand, Spain, and Germany, among others.

India trade scenario for hair products other than shampoos, preparations for permanent waving or straightening and hair lacquers (USD million), 2015, 2017, 2019



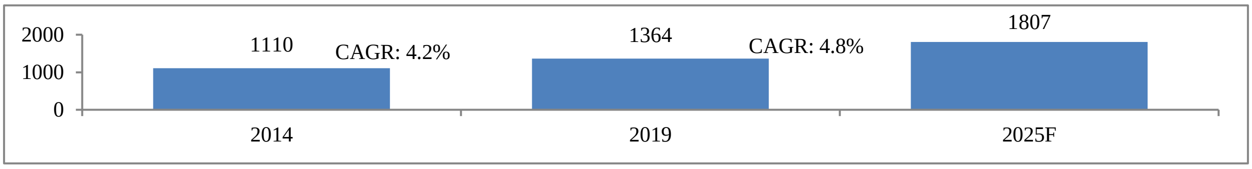
Source: Frost & Sullivan

India is a net exporter of hair care products to the world, with UAE, Saudi Arabia and Qatar topping the list of largest importers. Nepal, Indonesia and others are also dependent on India for imports. While India's imports are ~1/3rd of its total exports, it does import decent quantities of products from USA, China, Spain, and Thailand.

Global skin care vitamins industry market forecast

The global skin care vitamins market is expected to grow at a CAGR of 4.8% between 2019 and 2025, from USD 1,364 million to USD 1,807 million With increased market awareness and a rising demand for dedicated personal care products, the demand from skin care vitamins and other personal care active ingredients is expected to rise. Anti-aging, skin tightening and whitening ingredients are expected to drive the growth of active ingredients in personal care products. Such reasons, together with the global market shift toward natural active ingredients for personal care products, is expected to make the market more attractive.

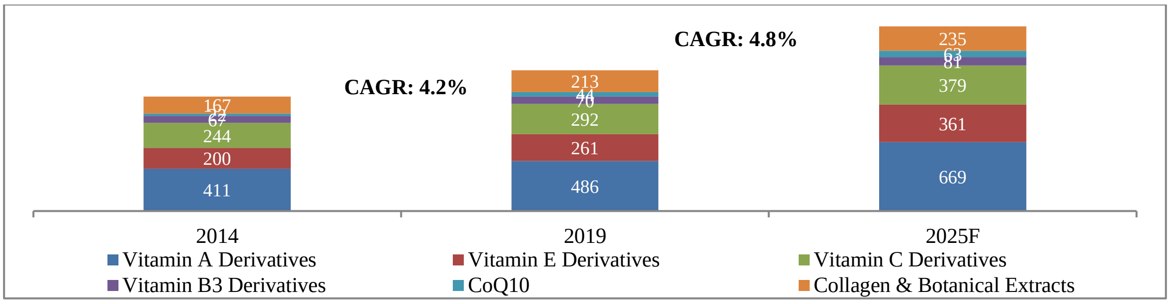
Global Skin Care Vitamins Market Overview (USD million)



Source: Frost & Sullivan

Global Skin Care Vitamins Market – Product Type and End Use

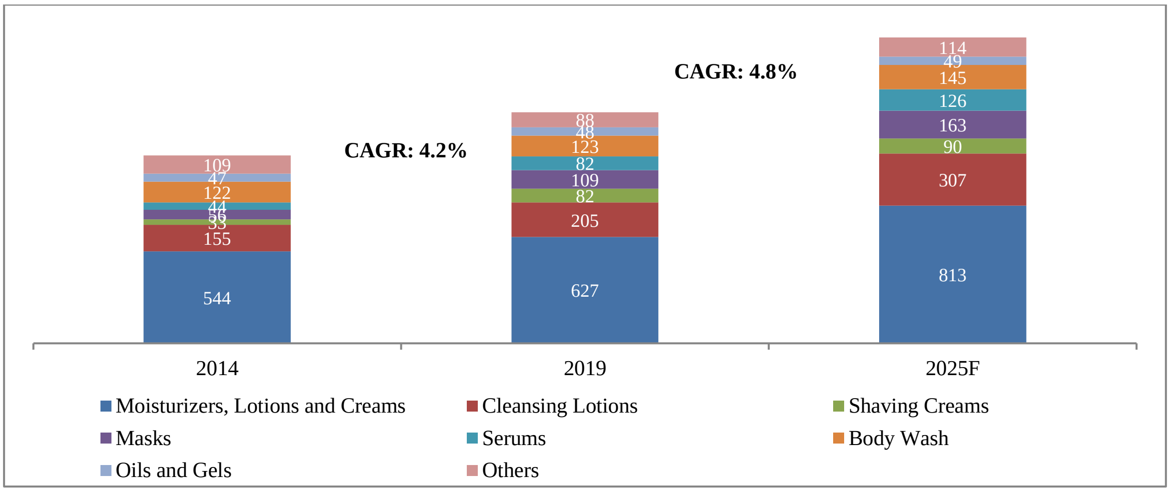
Global Skin Care Vitamins Market by Product Type, 2014, 2019, 2025 (forecast), USD 1,110 million, USD 1,364 million, USD 1,807 million



Source: Frost & Sullivan

Vitamin A derivatives make up for the maximum share of the skin care vitamin market and is expected to dominate the market over 1/3rd of the market share. Vitamin C and vitamin E are fast growing products, with a major application of these in beauty supplements, anti-aging creams, skin whitening and brightening lotions among others.

Global Skin Care Vitamins Market by End Use, 2014, 2019, 2025 (forecast), USD 1,110 million, USD 1,364 million, USD 1,807 million



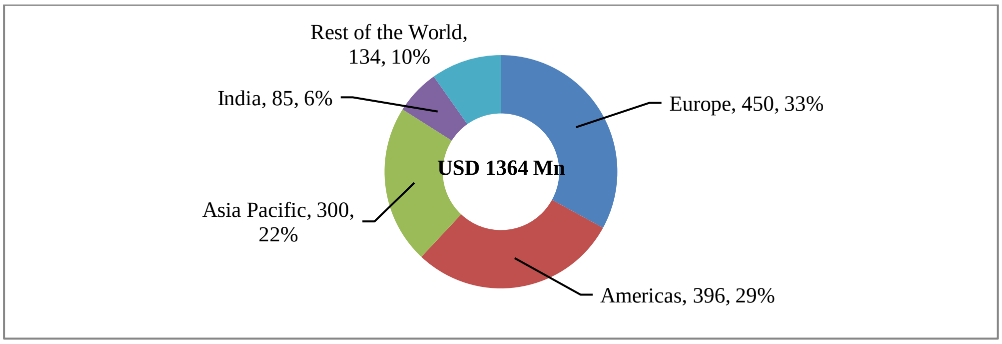
Source: Frost & Sullivan

Moisturizers, lotions and creams make up for almost 50% of the end use market. The global market has witnessed a growing demand for new products with multi-vitamins incorporated. The demand encouraged companies to invest in R&D and focus on new product development.

Global Skin Care Vitamins Market – By Geography

In 2019, North America expected to be a profitable region in the global market. In order to broaden their product portfolio, manufacturers introduced new multi vitamin beauty products. Increasing consciousness towards younger looking, fair and bright skin among the population is driving consumer demand for vitamin skin care products across the globe. The Asian and Middle East African regions favour fairer skin. This is increasingly driving the market for products with skin whitening and brightening agents.

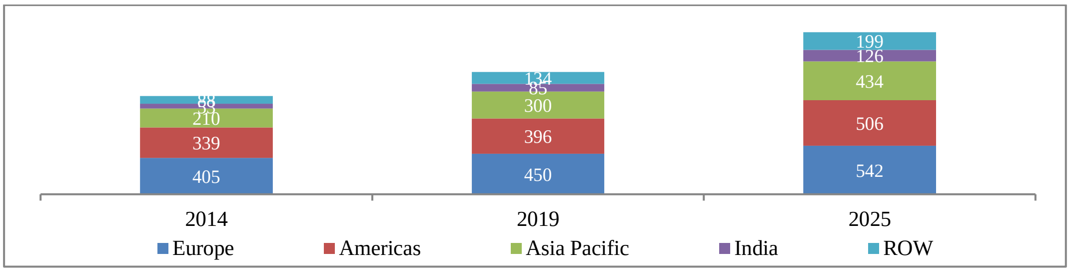
Global Skin Care Vitamins Market by Geography, 2019, USD 1364 million



Source: Frost & Sullivan

India and China are expected to grow with highest CAGRs due to high awareness and increasing population.

Global Skin Care Vitamins Market by Geography, 2014, 2019, 2025 (forecast), USD 1110 million, USD 1364 Mn, USD 1807 million

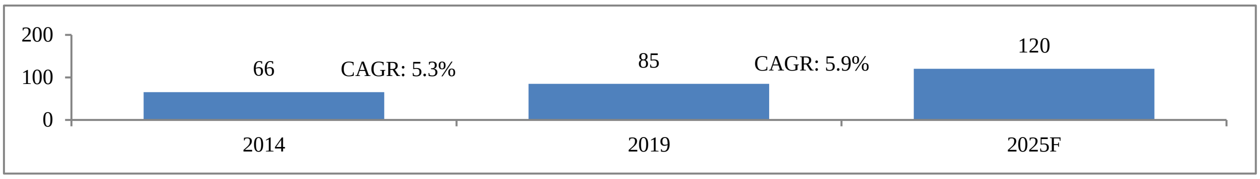


Source: Frost & Sullivan

India skin care vitamins industry market

The skin care vitamins market in India is expected to grow as Indian men are also becoming more aware of their looks and appearance and thereby embracing fairness products.

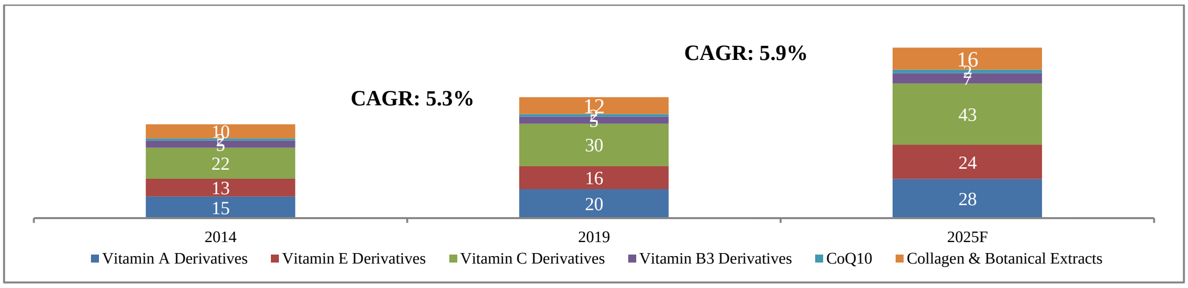
India Skin Care Vitamins Market Overview (USD million)



Source: Frost & Sullivan

Indian Skin Care Vitamins Market – Product Type and End Use

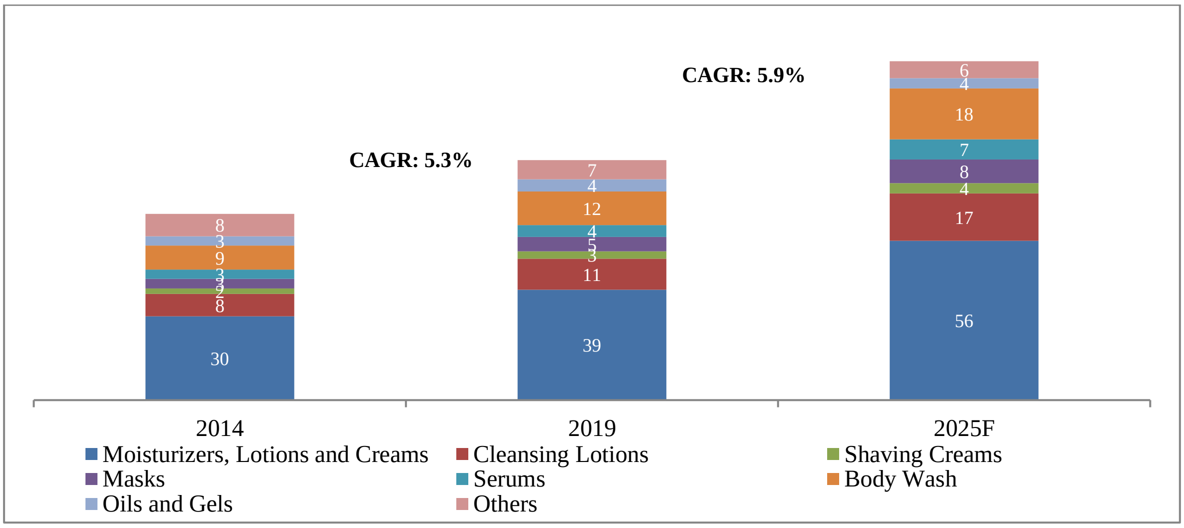
Indian Skin Care Vitamins Market by Product Type, 2014, 2019, 2025 (forecast), USD 66 million, USD 85 million, USD 120 million



Source: Frost & Sullivan

Vitamin C and vitamin A derivatives dominate the Indian skin care market and make up for more than half of the total market. They are expected to dominate the market through the forecast period as well. Vitamin E is the fast growing product, with a major application of these in beauty creams, anti-aging gels, skin whitening and brightening lotions, among others.

Indian Skin Care Vitamins Market by End use, 2014, 2019, 2025 (forecast), USD 66 million, USD 85 million, USD 120 million



Source: Frost & Sullivan

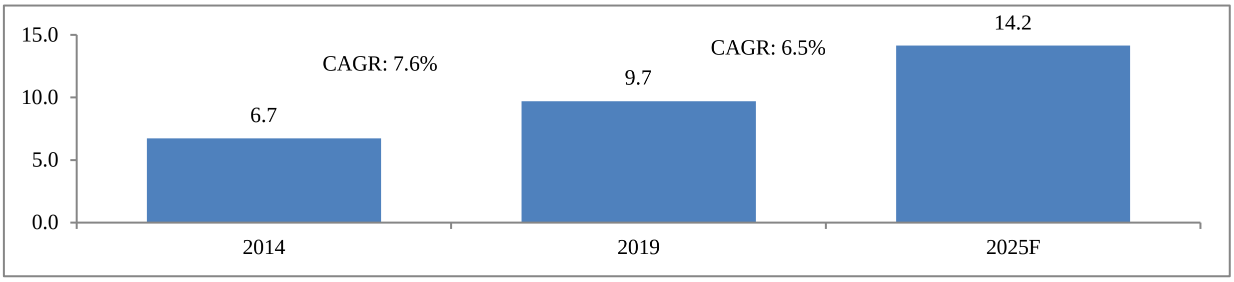
The Indian population predominantly consumes creams and moisturizers, which have vitamin content in them. Consumers prefer vitamin serums and gels that promote skin tightening and whitening and have anti-ageing properties. Demand for fair skin has been the major driver in the country, as more and more companies are promoting new products that include with multi-vitamins which promote fairness and younger looking skin.

India skin lightening actives market overview

The global skin whitening actives ingredient market is valued at USD 0.28 billion, contributing to approximately 3% of the total personal care active ingredients market. The market is expected to grow at over 6.5% through 2019 to 2025 (forecast). Indian demand for skin whitening agents is around 3.5% of the global demand.

The skin whitening actives market in India is expected to reach USD 14.2 million by 2025, increasing at a CAGR of 6.5% from USD 9.7 million in 2019.

India skin whitening actives market, 2014, 2019, 2025 (forecast), USD million



Source: Frost & Sullivan

India Personal Care market (skin vitamins market/ skin whitening actives) – Growth Drivers

Companies are investing in R&D:

With a growing demand for skin lightening products from men and women, companies are investing in R&D to expand and diversify their portfolio to maintain a good market share. New products are always exciting for the audience which is evident with the fast growth of products like face masks and serums.

The organic element:

Most companies are aware of the fact that Indian consumers are influenced by organic products; this allows them to promote their normal skin care products with an added benefit of natural and organic element. Indian consumers will buy a soap having skin whitening agents and milk extracts as against just skin whitening agents.

Sodium Ascorbyl phosphate is a water-soluble, stable form of vitamin C that works as an antioxidant and can help to even out skin tone. Sodium ascorbyl phosphate concentrations between 1% and 5% can affect breakout-related factors. Therefore, this form of vitamin C may be an effective adjunct to anti-acne products that contain benzoyl peroxide and salicylic acid.

Sodium Ascorbyl Phosphate and other vitamins in the skin care range act as anti-aging and anti-wrinkle agent. It assists against excess sebum build-up and suppresses natural melanin. It also has skin whitening, antioxidant, collagen synthesis and anti-inflammatory properties. It is a stable, water-soluble form of vitamin C that functions as an antioxidant and is potentially effective for brightening an uneven skin tone. It aids photo-oxidative damage and offers good stability benefits over ascorbyl phosphate as vitamin C carrier. It finds its application in formulating vitamin creams, revitalizing face treatment formulas and skin lightening, anti-aging, anti-wrinkle & sun protection products. Vitamin C in the form of sodium ascorbyl phosphate is a stabilized form of the vitamin. It is perfect for skin care products because it can be processed and packaged more easily than normal vitamin C, which is volatile and loses its efficacy when exposed to the air.

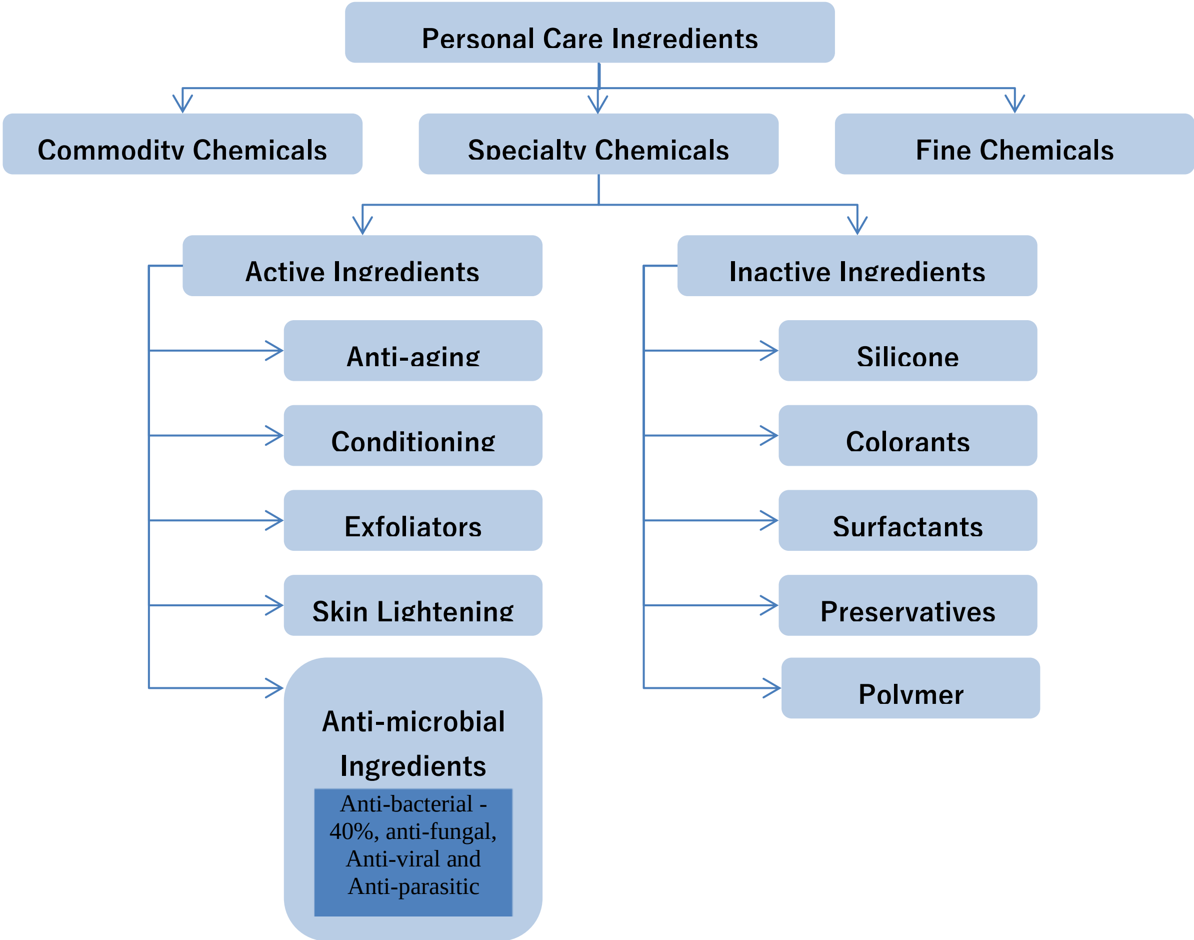
Sodium ascorbyl phosphate acts as an antioxidant, neutralizing free radicals and reducing the amount of damage they can do to cells. Sodium ascorbyl phosphate, when applied topically to the skin, can help slow down the aging process and the development of fine lines and wrinkles. Since sunlight is one of the most common causes of oxidative stress, sodium ascorbyl phosphate is used in sunscreens as well as before and after-sun care items. Both vitamin C and sodium ascorbyl phosphate have been shown to inhibit melanin production in skin tissue.

It finds a huge application in sun protection products, hair care products, vitamin supplements, UV boosters and anti-ageing products. Chemspec Chemicals Limited sells its product under the brand name “CHEM SAP”. Of the total global market for sodium ascorbyl phosphate, over 50% is contributed by Chemspec Chemicals Limited, making the company the largest manufacturer and supplier across the globe.

Chemspec Chemicals Limited is also focussed on expansion and new product development. With the rise in demand for multi vitamin products across the globe, Chemspec Chemicals Limited is expected to introduce four new products under the vitamins and preservatives range.

Global Personal Care Ingredients Market - Global Anti – Bacterial Actives Market

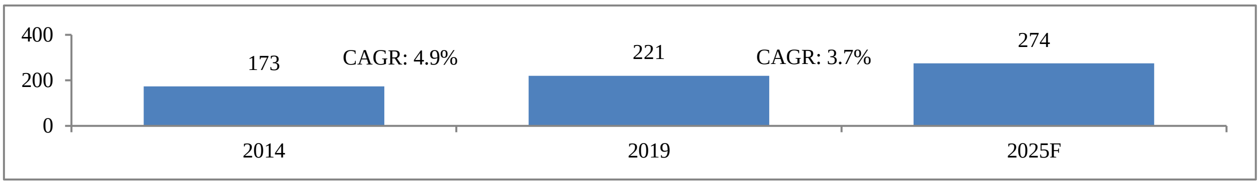
The market for personal care ingredients is broadly classified into commodity chemicals, fine chemicals, and specialty chemicals ingredients. Specialty ingredients are further classified as active and inactive ingredients based on their functionality in consumer products.



Global Personal Care Ingredients Market - Global Anti – Bacterial Actives Market

The global antimicrobial ingredients market is projected to increase at a CAGR of 4.1%, from USD 490 million in 2019 to USD 625 million by 2025. Antimicrobial ingredients' role in extending the shelf life of cosmetic products is a major factor driving their development and acceptance. Manufacturers of personal care and beauty goods are working with leading scientific research organizations to develop healthy products and reduce the negative effects of natural ingredients. Antibiotics are now being used indiscriminately and irrationally, resulting in the development of new resistant bacteria strains that are slightly more lethal than the parent strain. This is one of the significant bottlenecks in the anti-bacterial actives market.

Global Anti – Bacterial Actives Market Overview (USD million)



Source: Frost & Sullivan

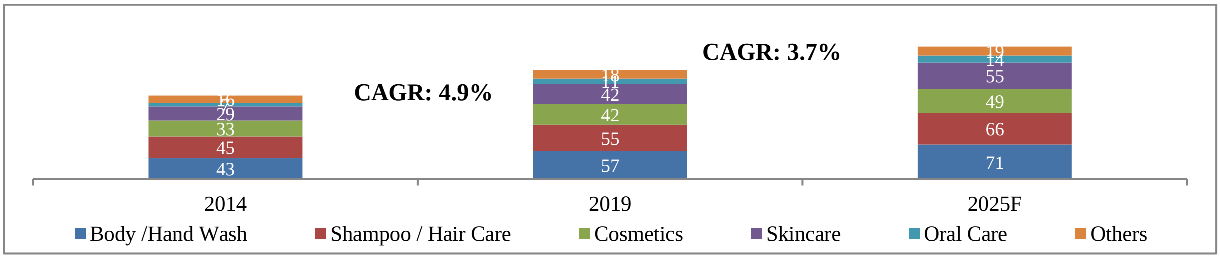
Antibacterial, antifungal, antiviral, and anti-parasitic agents are the different types of anti-microbial agents, of which antibacterial agents had the highest market share (40% to 45%) in 2019. Anti-bacterial ingredients is predominantly used in the production of skin care products. Their significance is in preventing common bacteria from infecting cosmetics.

In bar soaps, cosmetics, and other personal care items, trichlorocarbanilide (TCC) is used as a bacteriostat and an antimicrobial agent. TCC is a polychlorinated binuclear aromatic urea pesticide that is harmful, persistent, and potentially bioaccumulative.

Global Anti- Bacterial Actives market – By Product Type

Dry and liquid based forms are included in the form section. In the forecast period, the dry segment is expected to increase at a rate of 5.8%, and the majority of anti-bacterial agents generated in future is expected to be in the dry form. Furthermore, low production costs for anti-bacterial ingredients in the dry form are expected to boost profit margins for key players; these are some of the key factors to drive the demand of the segment.

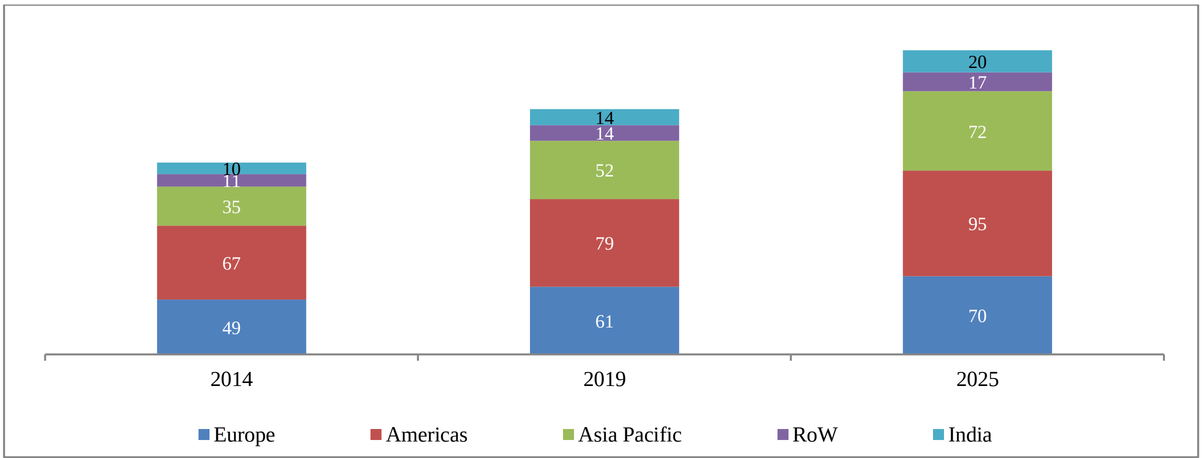
Global Anti- Bacterial Actives Market by end use, 2014, 2019, 2025 (forecast), USD 173 million, USD 221 million, USD 274 million



Source: Frost & Sullivan

Global Anti – Bacterial Actives Market – By Geography

Global Anti – Bacterial Actives Market, 2014, 2019, 2025 (forecast), USD 173 Million, USD 221 Million, USD 274 Million



Source: Frost & Sullivan

Period	Europe	Americas	Asia Pacific	Rest of the world	India	Total
2014 - 19	4.3%	3.5%	8.3%	4.6%	6.4%	4.9%
2019 – 25 (forecast)	2.4%	3.1%	5.3%	3.1%	5.6%	3.7%

In 2019, the Americas, dominated by USA and Canada, led the global antimicrobial ingredients market with a market share of approximately 45%, followed by Europe and the Asia Pacific regions. North America is the fastest growing economy. Asia Pacific is expected to grow at fastest pace to accommodate a greater market share in the coming years.

Key Companies and Growth Drivers - Global

Increased product shelf life and consumer protection

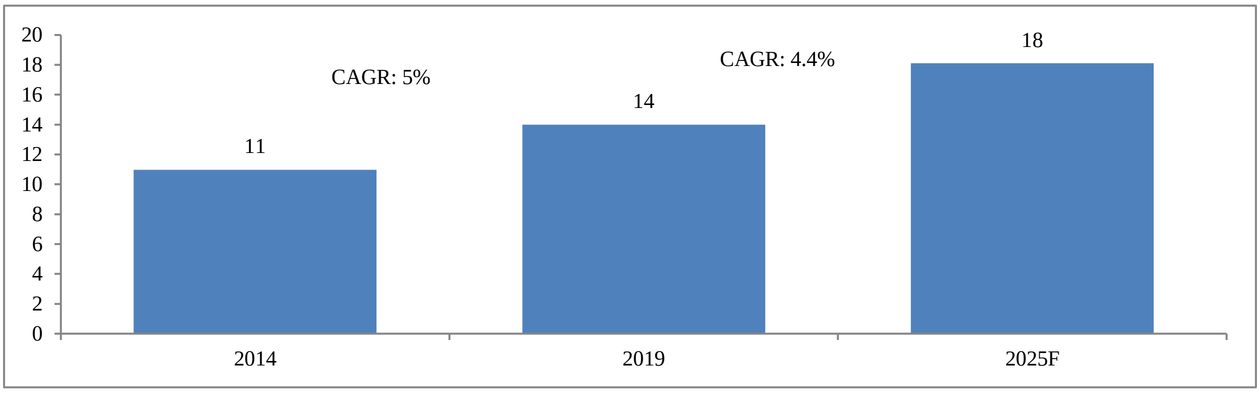
In the cosmetics industry, antimicrobial ingredients play a critical role in ensuring product protection. These ingredients are commonly used because they help to improve the protection of products in terms of usage and manufacturing. Furthermore, the use of antimicrobial ingredients extends the shelf life of cosmetic products, which is a crucial driving factor because consumer protection is of top priority for global cosmetics industry participants. Manufacturers use antimicrobial ingredients as additives in the manufacturing processes to ensure that the product is safe for human use in addition to reducing the risk of side effects.

BASF, Arkema Ashland Global Holdings, Lonza Group, Croda International, The Dow Chemical Company, Clariant, Evonik Industries, Wacker Chemie, Pfizer, Destiny Pharma, Merck, Novartis, Lonza and Schülke are among the major players in the global antimicrobial ingredients industry. Key players active in the market are involved in collaborative agreements and expansion to bolster the growth of the antimicrobial ingredients market. Manufacturers achieve optimal market growth by adopting strategies such as expanding manufacturing capacities and by investing heavily in research and development.

India Anti – Bacterial Actives Market Overview.

During the forecast period, the Indian anti–bacterial actives market is expected to reach USD 18 million, increasing at a CAGR of 4.4% from USD 14 million in 2019. The anti-bacterial actives find major usage in the personal care and cosmetics industry as the ingredients help in extending the shelf life of cosmetic products and provide skin protection.

India Anti – Bacterial Actives Market, 2014, 2019, 2025 (forecast), USD million

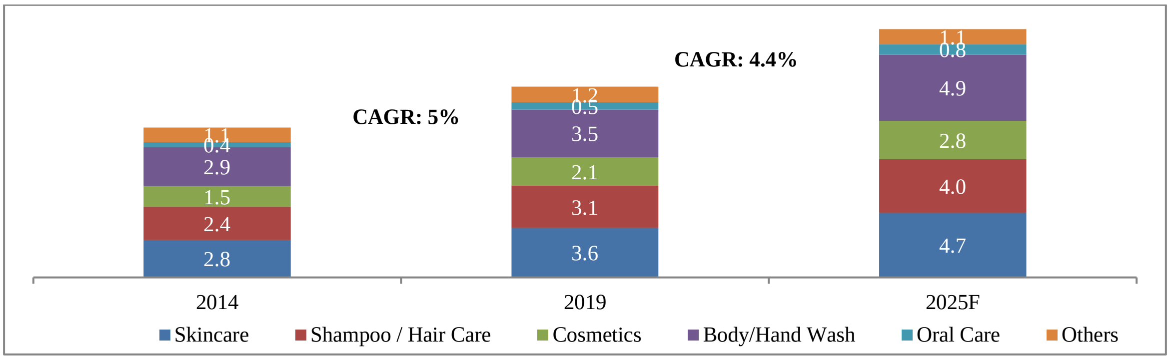


Source: Frost & Sullivan

The major consumer of anti-bacterial actives is the personal care industry. Skin care products, hair care products, oral care products, make-up and other cosmetics are among the end-use categories. The personal care industry size in India is USD 14.3 billion and is expected to grow at a CAGR of 9.8% to reach USD 25 billion in 2025. The personal care industry is one of the fastest growing consumer products sectors in India with a strong potential for foreign companies. Increasing disposable income and young rising middle class are significant factors driving the market in the country.

India Anti- Bacterial Actives market – By End Use Segment

India Anti- Bacterial Actives Market by End Use, 2014, 2019, 2025 (forecast), USD 11 million, USD 14 million, USD 18 million



Source: Frost & Sullivan

	Skincare	Shampoo / Haircare	Cosmetics	Body/Hand wash	Oral Care
2014 - 2019 CAGR	5.8%	4.9%	6.4%	4.1%	8.2%
2019 - 2025 CAGR	4.5%	4.2%	5.0%	5.7%	6.8%

With the rise in awareness of safety and sanitization, the demand for anti-bacterial products is expected to increase significantly. The demand is the highest from the body and hand wash segment, which is also expected to witness the highest growth, with a CAGR of 5.8% in India.

Major body and hand wash companies using neem, turmeric and other natural extracts while manufacturing products. Similar exercises have been observed in skin and oral care products as well.

The wet wipes application segment is slated to witness a decent growth. The growth is ascribed to the use of preservative as well as ingredients to manufacture different kinds of wiping tissues.

Key Companies and Growth Drivers – India

Growing awareness leading to an increase in consumer demand

There is a strong need amongst consumers to look young while keeping the skin safe, which has led to a robust demand for personal care products. High awareness about the harmful effects of exposure to chemicals in cosmetics has mooted the sales of organic and natural products. With respect to ingredients, consumers do not want products laden with unnecessary ingredients and look at specific protection against microbes and other such organisms.

Premiumization

Anti-bacterial products with active organic and natural ingredients are priced more than other products in the segment. Premium segments in India have good growth potential, with increasing awareness and evolving consumers who are ready to spend more on quality products.

Companies investing in research & development

The increasing usage of products for manufacturing organic, natural and bacteria free personal care products is anticipated to further fuel the demand for personal care ingredients. There has been an increase in R&D investment, with India's major personal care ingredient manufacturers such as Sami Labs, Kumar Organics, etc. investing between 5 to 7% of their revenue on R&D activities.

India likely to benefit from downturn in China

China's tightening environmental enforcement norms and purchasing managers' concerns about a heavy dependence on a single source have led to a steady change in the underlying market over the last five years. As

China grew increasingly belligerent with important economies such as the United States, Japan, Australia, and India, escalating trade tensions between the countries forced users to look elsewhere.

Major players in India using competitive strategies

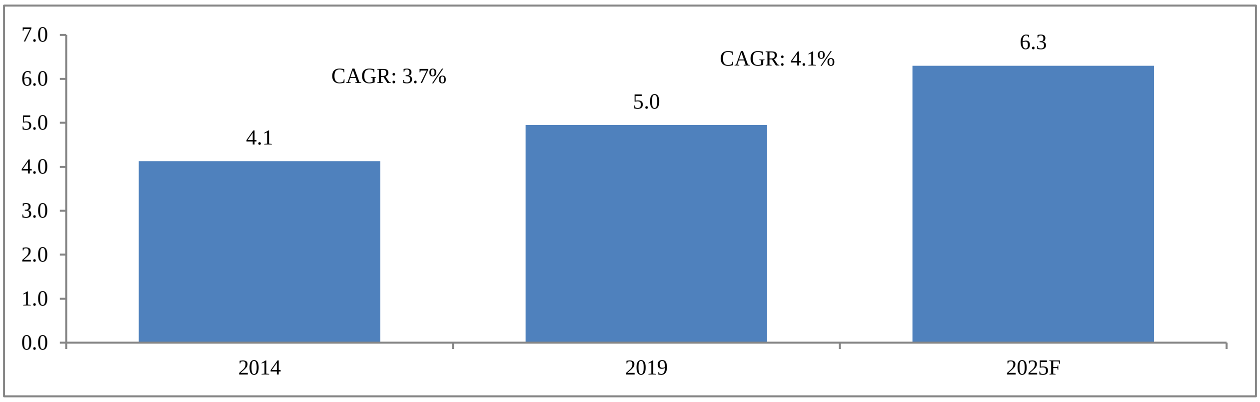
Some of the major players in India's anti-bacterial ingredients industry, in the personal care market, are BASF, Croda India, Galaxy Surfactant, Clariant, Dow, Merck, DSM India, Sami Labs, Kumar Organics, etc. These companies have deployed a variety of tactics to increase market share and gain a competitive advantage over their rivals. New product releases, mergers and acquisitions, alliances, and collaborations are among the few strategies observed.

Global Anti-Bacterial market – TCC (Trichloro Carbanilide)

TCC is an antimicrobial active ingredient, which is used globally in a wide range of personal cleansing products including deodorant soaps, deodorants, detergents, cleansing lotions and wipes. TCC is also used globally as an antimicrobial active ingredient in bar soaps. It is used in consumer antimicrobial products and is designed to be more effective than plain soap in reducing harmful bacteria on skin. TCC also helps to prevent the transmission of germs to other people or on to objects. In addition, it is commonly used as an active ingredient in deodorants, shampoos and shaving creams and in over the counter preparations such as antiseptic foaming solution for topical application. Additionally, TCC is used while cleansing areas in hospitals where there is a high risk of infection.

The global TCC market is valued at approximately USD 4.9 to 5 million. It is expected to grow at 4.1% CAGR through the forecast period to reach approximately USD 6.3 million by 2025. The key players in the market are Chemspec Chemicals, Basf, Dow, Mitsui Chemicals, DuPont and Lanxess.

Global (TCC) Anti – Bacterial Actives Market, 2014, 2019, 2025 (forecast), USD million

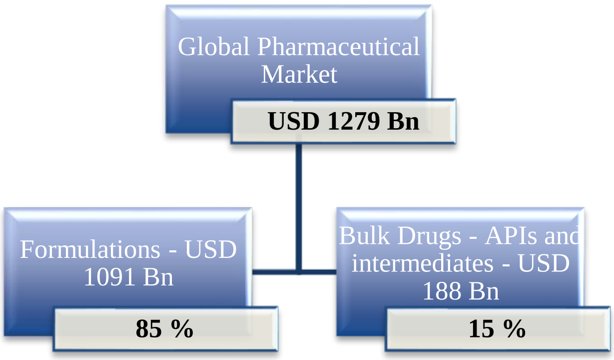


Source: Frost & Sullivan

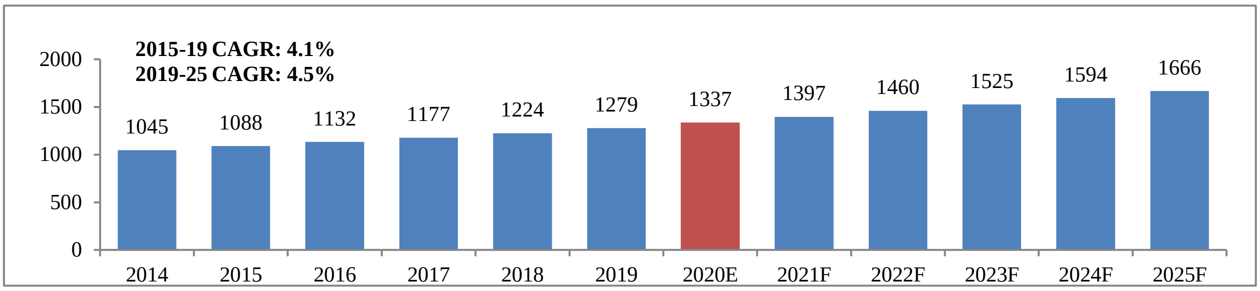
Global Pharmaceutical Market

In 2019, the global pharmaceutical market was valued approximately at USD 1.3 trillion, with a steady growth rate of CAGR approximately 4% since 2014. Going forward, it is expected to grow at approximately 4.5% from 2019 till 2025. The industry is driven by an increasing convergence of technology & health and new models for the treatment of diseases based on advanced therapies. Moreover, the increase in the number of regulatory approvals is supporting an expected growth of 6.9% CAGR of the prescription drugs market for the same forecast period.

Global Pharmaceuticals, 2019 (USD billion)



Global Pharmaceuticals Market (USD billion), 2014-2025 (forecast)

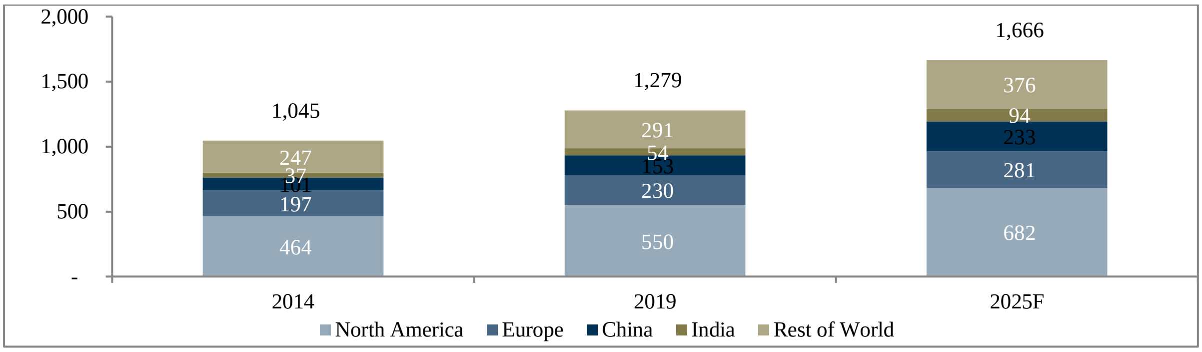


Source: Frost and Sullivan

Global Pharmaceutical Market – By Geography

The global pharmaceutical market is expected to grow at a CAGR of 4.5% between 2019 to 2025, including the impact of Covid-19, which has negatively impacted the volumes for over four to six months in 2020. This resulted in pricing pressures across the world and the effect is expected to continue over the next 5 years. In Europe, countries such as Germany: 4%, France: 3%, Italy: 3%, UK: 2% and Spain: 2% - account together for only 14% of the global pharmaceutical market; these countries will see their market share drop by approximately 2 points by 2025, predominantly due to increasing pricing pressures in this region as compared to the rest of Europe.

Global Pharmaceutical Market by Geography (USD billion), 2014, 2019, 2025 (forecast)



CAGR	North America	Europe	China	India	Rest of the world	Global
2014 - 19	**3.5%**	**3.2%**	**8.7%**	**7.8%**	**3.4%**	**4.1%**
2019 – 25 (forecast)	**3.6%**	**3.3%**	**7.2%**	**9.7%**	**4.4%**	**4.5%**

Active Pharmaceutical Ingredient (APIs)

The Global Active Pharmaceutical Ingredient (APIs) market has demonstrated a steady growth of 5.9% since 2014 and is expected to further grow at 6.2%, due to an increased focus on developing geographies. The global API market, when segmented based on synthesis, is classified into synthetic API, biotech API and high potency active pharmaceutical ingredients (HPAPI).

The synthetic API held the maximum share in 2019 and is expected to grow at a CAGR of approximately 8 to 9% from 2019 to 2025. The major factors driving the synthetic chemical API market are patent expiration of synthetic drugs (small molecule drugs), increasing number of small molecules in clinical trials, and an increase in outsourcing by the pharmaceutical companies.

The Global High Potency Active Pharmaceutical Ingredients (HPAPI) market is expected to thrive over 2019 to 2025, due to the increasing preference towards outsourcing of HPAPI manufacturing and a rich pipeline of targeted therapeutic drugs. The concentration of technical expertise in the hands of a few major players and the lack of universal regulatory policies and standards are factors poised to escalate the growth of the HPAPI market. Highly prominent in oncological research, HPAPI has gained popularity and has seen a boost in demand. HPAPI have properties that make them useful in battling cancer, despite their high toxic level.

Key global companies

Some prominent players in the global active pharmaceutical ingredients market include: Merck & Co, AbbVie, Bristol-Myers Squibb Company, Boehringer Ingelheim International, Cipla, Teva Pharmaceutical Industries, Albemarle Corporation, Viatris, Aurobindo Pharma, Sanofi, Novartis, Pfizer, Sun Pharmaceutical Industries, Dr. Reddy's Laboratories, etc.

Trend of evolution of products - R&D and innovation of sustainable products

The pharmaceutical industry was among the first to embrace "Green Chemistry", due to its significant potential to reduce costs and risks. The market for Green Chemistry is expected to outpace the overall global growth of the chemical market in the coming decades as companies respond to the consumer demand for sustainable products as well as increasingly stringent regulations on the use and generation of hazardous substances. Green pharmaceuticals as a segment are projected to grow to approximately USD 94 – USD 95 billion by 2025.

India Pharmaceutical Market

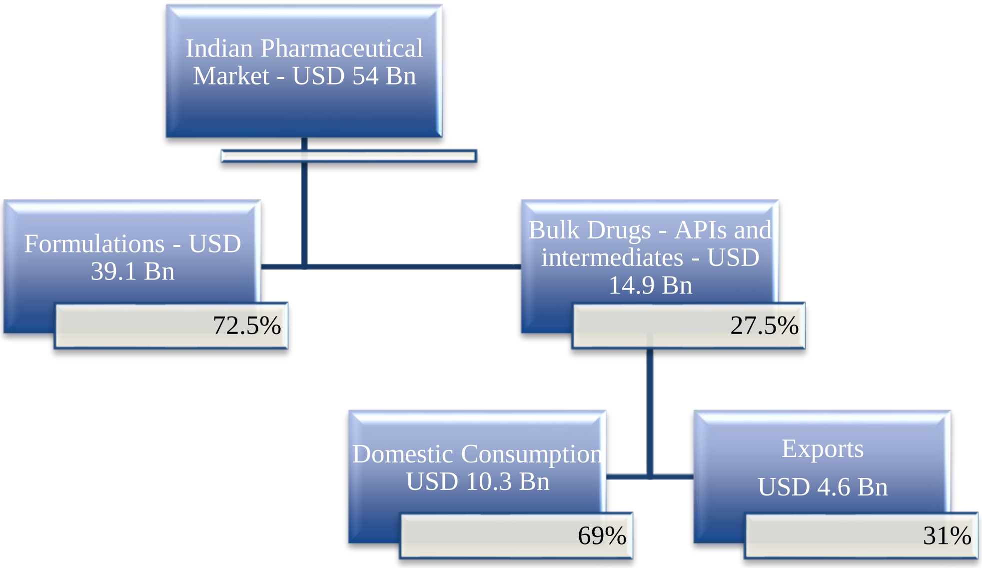
The Indian pharmaceuticals market was valued at USD 54 billion in 2019, contributing to around 4% of the global market. The Indian market is expected to grow approximately at CAGR 10% between 2019 to 2025, fuelled by the substantial increase in Indian API domestic consumption. In addition, the Government has also undertaken and continues to undertake various initiatives to boost the industry, which include allocating land in different states to develop API Mega Parks, increasing investment in R&D, etc.

The Indian pharmaceutical sector supplies over 50% of the global demand for various vaccines, 40% of the United States' generic demand and 25% of all medicines in the U.K. India contributes the second largest share of pharmaceutical and biotech workforce in the world. Indian drugs are exported to more than 200 countries in the world, with the United States 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. Significant raw material base and availability of a skilled workforce have enabled India to emerge as an international manufacturing hub for generic medicines. Further, outside the United States, India has the largest number of US FDA compliant pharmaceutical plants (more than 262 including Active Pharmaceutical Ingredients - APIs).

Indian production also dominates its domestic pharmaceutical market, making it largely self-sufficient in the case of formulations. Within India, the acute therapy industry dominates, with a share of over 60 to 65% of the total market value, predominantly due to public hygiene and sanitation issues for decades. This is followed by chronic therapies, which account for 34% of the market share. In the domestic market, anti-infectives (13.6%), cardiac (12.4%) and gastrointestinal (11.5%) have the biggest market share in terms of revenue.

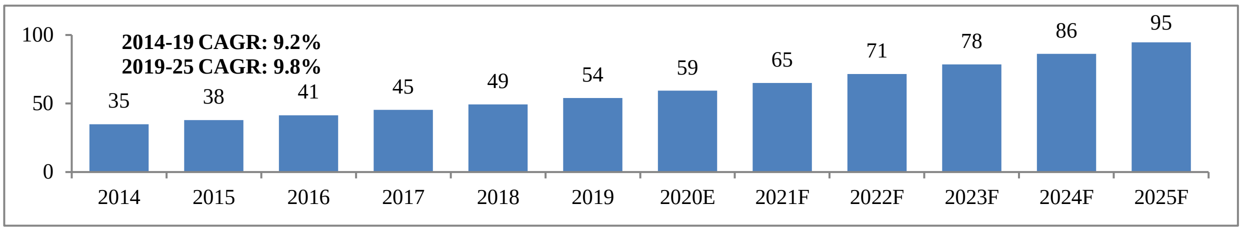
Key companies, such as Sun Pharma, Dr. Reddy's, Cipla, Lupin, etc., are being attracted by various lucrative offers to increase their investment in the Indian API market. Other factors that will assist API manufacturers to capitalise on domestic API demand are the patent expiry of blockbuster drugs and ever rising demand for drugs in India. Apart from this, players use the latest technology to create complex APIs. This serves as a key differentiating factor of research of each company. Companies are also expanding their global footprint, announcing new distribution channels and opening new manufacturing facilities.

Indian Pharmaceutical Market – By Product Types, 2019



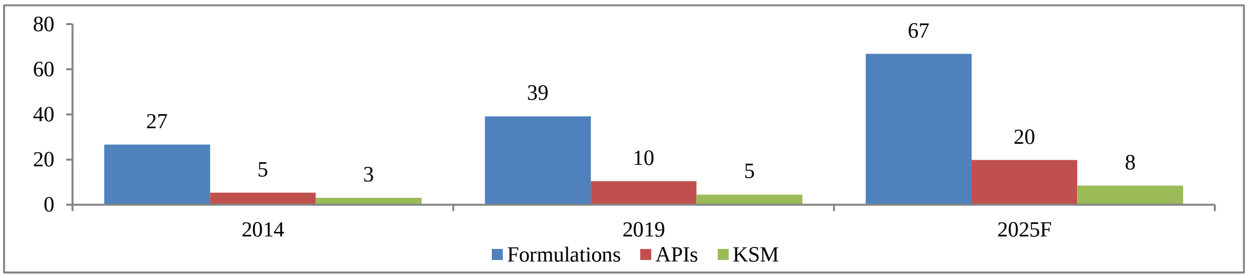
Source: Assocham, Frost and Sullivan

India Pharmaceuticals Market (USD billion), 2014-2025 (forecast)



Source: Frost and Sullivan

India Pharmaceuticals Market by Segment 2014, 2019, 2025 (forecast), USD 35 billion, USD 54 billion, USD 95 billion



Source: Frost and Sullivan

CAGR	Formulations	APIs	KSM	Total
2014 - 2019	**8.1%**	**14.2%**	**8.0%**	**9.2%**
2019 – 2025 (forecast)	**9.3%**	**11.3%**	**11.1%**	**9.8%**

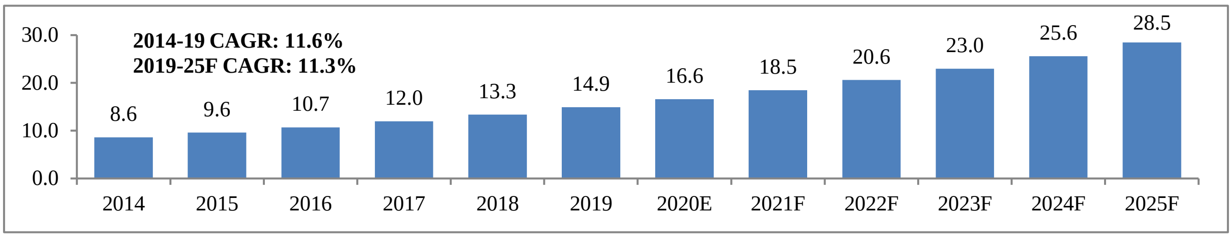
India KSM & API Industry Overview

Active Pharmaceutical Ingredient (APIs) are substances, or a mixture of substances intended to be used in the manufacture of a drug (medicinal product); when used in the production of a drug, it becomes an active ingredient of the drug/product. Key Starting Material (KSM) term is used for intermediates in pharmaceutical industry. These are building blocks of the drug industry.

The Indian pharmaceutical industry is the world's third largest in terms of volume and thirteenth largest in terms of value. The increasing incidence of chronic diseases, along with growing importance of generics is the key factors driving the growth of the Indian APIs market. Advancements in API manufacturing and growth of the bio-pharmaceutical sector is also driving the market growth.

The Indian KSM & API market has demonstrated a steady growth of 12% since 2014 and is expected to expand further. By raising the production yields, changing the production processes and increasing the sales in international markets, API manufacturers in India are making efforts to improve their marketing ability in regulated markets. More than 30% of the APIs manufactured in India are exported to countries such as the United States, U.K., Japan, etc.

Indian KSM & API Market (USD billion), 2014-2025 (forecast)



Source: Frost and Sullivan

Key players are Sun Pharma, Cipla, Dr Reddy's, Aurobindo Pharma, Lupin, etc. Companies either create in-house APIs or grant contracts to other companies. At present, APIs are primarily used for the production of generic drugs in the Indian market.

The key starting materials/ intermediates form the essential part of the pharmaceutical value chain in India. Intermediates refer to the substances that are semi-finished products and /or material that is essential to make a product. The market for pharmaceutical intermediates in India for the year 2019 was estimated to be around USD 4.5 billion, which grew at a CAGR of 8% between 2014 to 2019.

India: Well placed to see growth in this market

The key strategy of the Indian manufacturers till date has been to undertake a higher value addition into the products and then explore markets across the world for better realization. Many of the key starting materials and intermediates have been imported to large extent from over a decade from China, which has been an economical sourcing option. Almost 80% of the intermediates as of 2019 were imported.

Cost Head	**China Advantage**
Raw Material	Cheaper by 25-30% as compared to India
Cost of production	~20-30% lower than in India
Set-Up Costs	15-20% lower set-up costs due to economies of scale
Logistics Costs	1% of total costs in China vs. 3% for India
Electricity	Lower by 20-30% compared to India; Steam is 40–50% cheaper compared to India
Financial Assistance	~13% tax incentives for the export of APIs and soft loans; Exemption from various taxes and low to no import duties
Other Costs	Cheaper by 25-30%

Source: Industry Input

The Government of India's proposition to support local manufacturing of many possible raw materials and intermediates, especially in the pharmaceutical space, will enhance the growth in the domestic market and reduce imports, especially from China. With a shift in investments from regulated markets such as Europe to developing countries such as India, domestic production is expected to increase, thereby reducing the dependency on imports and increasing intermediate exports substantially.

The Government of India announced package of ₹9,940 crore to boost the domestic API manufacturing industry. The package is divided into two parts – ₹6,940 crore has been allocated for the Production Linked Incentive Scheme ("**PLI Scheme**") and ₹3,000 crore will be spent on setting up three bulk drug parks. The PLI scheme is applicable to 41 critical KSMs/APIs and aims to address the supply issue of 53 identified critical APIs. The list has been classified into two broad categories – chemical synthesis products comprising of 27 KSM/APIs and fermentation-based products comprising of 14 KSM/APIs.

The national scheme for promotion of bulk drug parks focuses on the reduction of the manufacturing cost of bulk drugs in the country and dependency on other countries for its availability. In line with this, the Council of Scientific and Industrial Research – National Chemical Laboratory, has undertaken research work in the area of chemical synthesis of drug intermediates. More than 27 or so bulk drugs cover different therapeutic classes such as anti-viral, retro-viral, antibiotics, anti-bacterial, anti-fungal, cardiovascular, diabetes, cholesterol-lowering, anti-cancer to simple painkillers like paracetamol, are synthesised from about 10-12 simpler building blocks or KSMs/ drug intermediates.

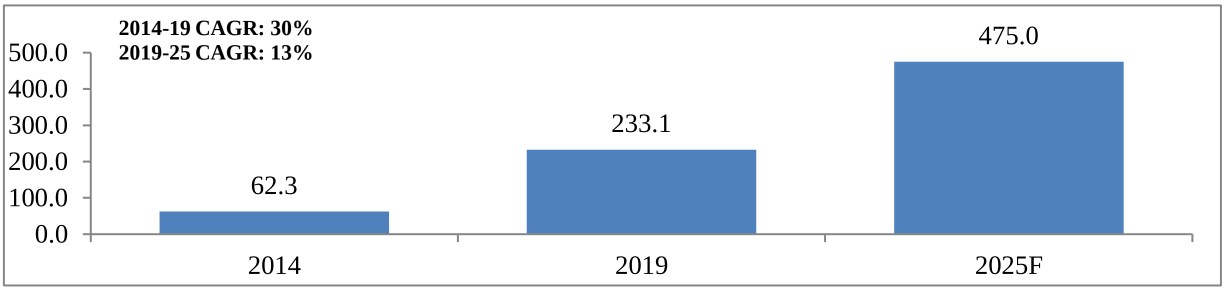
These initiatives and government support will help India attain self-sufficiency in the drug supply chain.

Industry Drivers

Rising healthcare expenditure

The Indian healthcare industry is expected to be among the top three healthcare industries globally by 2020, in terms of incremental growth. The growing prevalence of chronic diseases due to the increasing age of the population in India as well as globally, coupled with Government initiatives for promotion of manufacturing under 'Make in India' and the global need for lower cost therapies at high quality has led to health investments from pharmaceutical companies.

Indian Healthcare Industry Market Size, USD billion, 2014, 2019, 2025



Increasing income

In India, the domestic consumption has increased 3.5 times over the past decade from about ₹31 trillion to about ₹110 trillion. BCG forecasts that by 2028, domestic consumption will exceed approximately ₹335 trillion. Consumers are increasing their discretionary spending on healthcare, with several APIs expected to grow exponentially owing to this trend of increased per capita consumption. Also, approximately 73 million households are expected to shift to middle class over next 10 years.

Growth in application segment for intermediates

The Indian API sector is growing at a promising rate due to its research - based processes, low - cost operations and availability of skilled manpower. Several companies have invested in backward integration and such companies also source intermediates locally. To meet the global demand, many international players are now integrating with Indian companies.

Growing geriatric population

India is seeing an increase in ageing population. The percentage of people over 60 years in India will increase from 8.9% in 2015 to 12.5% in 2030, according to projections by the United Nations. In addition, 19.4% of the total population of India will be over 60 years of age by 2050. The nation would also see an increase in the ratio of old age dependence from 13% in 2000 to 32.8% in 2050.

Cardiovascular Diseases

Cardiovascular disorders are among the world's deadliest disorders, with India being a victim of them as well. Of the total deaths in India, these diseases account for 26% (2.5 million). In addition, the cumulative economic burden of non-communicable diseases (including mental health conditions) is expected to cross USD 4.58 trillion in India between 2012 and 2030.

Diabetes

With India emerging as the country with the largest diabetic population, it is critical for a company to develop cost - effective and easily accessible treatment options. There were 69.18 million people with diabetes in India in 2015. This number is expected to grow to 79.4 million people by 2030 and around 123.5 million by 2040. *(Source: National Centre for Biotechnology Information – NCBI)*

Increased consumption of generic drugs

India is a developing country in which a large part of the population lives below the poverty line. According to the World Bank, the poverty rate in India is 12.4%. Such people living below the poverty line and many others need cost-effective treatments. Consequently, the market for generic drugs, which are made with the aid of APIs, has increased.

Invention of new generation of APIs

There is an urgent need for new research & development in the pharmaceutical industry in India that will yield ground - breaking and successful drugs and therapies. This need is an important factor driving the growth of the country's API industry, which has led to the invention of a new generation of APIs. Ionic liquids are one example of the latest age of APIs. Used as APIs are ionic liquids with biological activity. Ionic liquids are organic salts with melting points below 100°C, and composed entirely of ions.

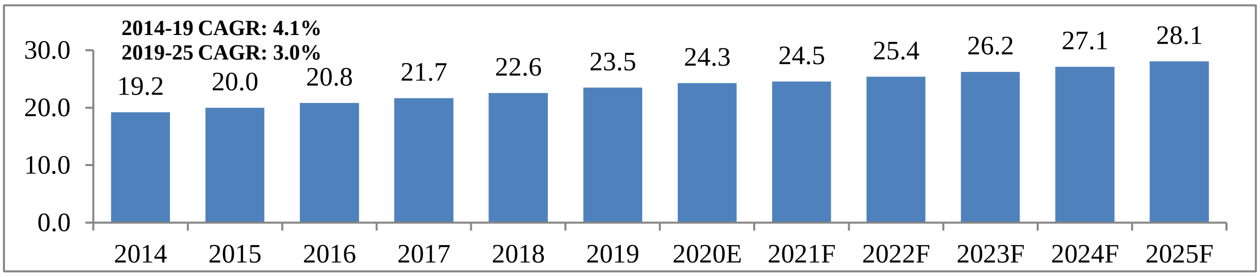
Global and India Anti-Hypertensive Drugs Market Overview

Global Anti-Hypertensive Drugs Market Overview

The global antihypertensive drugs market accounted for USD 23.5 billion in 2019, and is expected to reach USD 28.1 billion by 2025, registering a CAGR of 3.0% from 2019 to 2025. The market is expected to grow at a CAGR of 1.1% from 2020 to 2021. The slow growth is mainly due to the outbreak of COVID-19 as hypertensive drugs have a negative effect on COVID-19 patients.

The anti-hypertensive drugs market comprises of sales of anti-hypertensive drugs and related services. These drugs are used to prevent heart failure, kidney failure and acute stroke induced by hypertension. Some of the major anti-hypertensive drugs include diuretics, angiotensin-converting enzyme (ACE) inhibitors, and angiotensin II receptor antagonists. The market is segmented by therapeutics into diuretics, angiotensin receptor blockers (ARBs), angiotensin converting enzyme (ACE) inhibitors, beta blockers, alpha blockers, calcium channel blockers, renin inhibitors, vasodilators; by disease source into primary hypertension, secondary hypertension.

Global Anti-Hypertensive Drugs Market (USD billion), 2014 - 2025 (forecast)

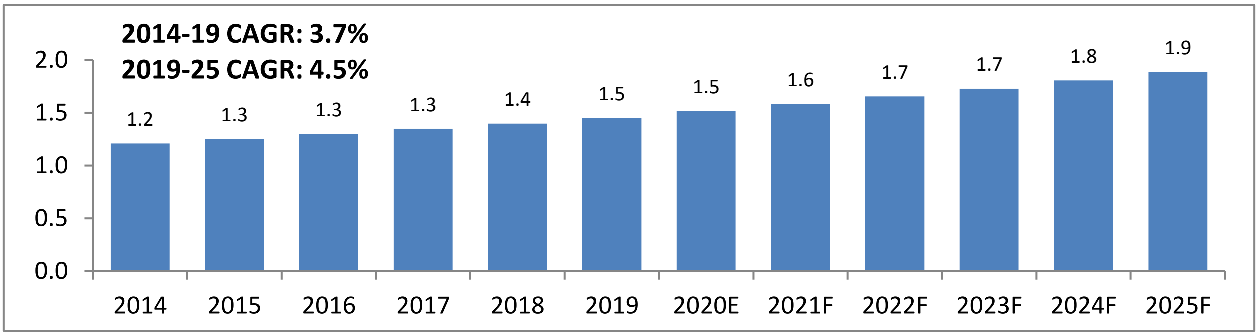


Key Players

Major players in the anti-hypertensive drugs market are Merck & Co, Astra Zeneca, Daiichi Sankyo Company, Johnson & Johnson, Pfizer, Novartis, Sanofi, United Therapeutics, Ranbaxy Laboratories, Bayer, Lupin, Boehringer Engelheim, Ranbaxy Laboratories, Takeda, Actelion, JW Pharmaceutical, Gilead, CJ Healthcare, Boryung Pharmaceutical and Cipla, among others.

India Anti-Hypertensive Drugs Market Overview

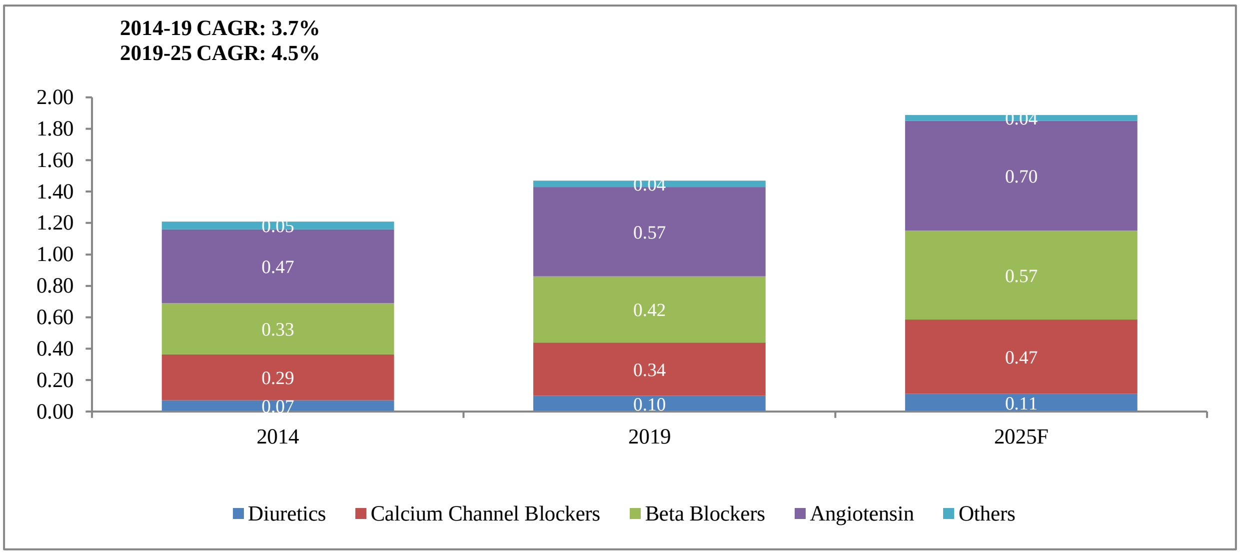
India Anti-Hypertensive Drugs Market (USD billion), 2014 - 2025 (forecast)



Source: Frost & Sullivan

Hypertension is an important public health problem in India and leads to over 1.5 million deaths annually. Several guidelines have re-focussed international attention on hypertension. A crucial focus in all such guidelines is both the achievement of optimum blood pressure (BP) as well as overall reduction in cardiovascular (CV) risk.

India Anti-Hypertensive Drugs Market by Class, 2014, 2019, 2025 (forecast), USD 1.2 billion, USD 1.45 billion, USD 1.9 billion



Source: Frost & Sullivan

Angiotensin had the highest market share in the hypertension drug segment in India and was worth USD 0.57 billion in 2019. Beta blockers had the second highest market value that same year.

Global Sartans Market

Sartans are the latest generation of anti-hypertensive drugs, which have good anti-hypertensive effect and drug tolerance, less adverse reactions, and have protective effect on target organs. Sartans have less reactions on internal organs and therefore, its use is increasing consistently. There are more than one billion patients with hypertension in the world. Long term treatment drives the demand for Sartans and intermediates. Due to the shortage of key intermediates, the tightening of environmental protection and the incident of Sartan impurities, the supply of Sartan products is in short supply and its price continues to rise. Sartans can be divided into five categories: Valsartan, Irbesartan, Telmisartan, Losartan and Others.

The global market is expected to grow by a 3.4% from 2019-20. Sartan revenue is expected to be approximately USD 15.6 billion in 2020 from approximately USD 16.1 billion in 2019. The market size of Sartans will reach USD 16.7 Bn by 2025, with a CAGR of 1.4% from 2020 to 2025 (forecast).

Valsartan

Valsartan, sold under the trade name Diovan among others, is a medication used to treat high blood pressure, heart failure, and diabetic kidney disease. It is a reasonable initial treatment for high blood pressure. It is taken by mouth. Versions are available as the combination valsartan/hydrochlorothiazide, valsartan/amlodipine, valsartan/amlodipine/hydrochlorothiazide, or valsartan/sacubitril. Valsartan makes up for the largest market share, contributing to approximately USD 6.5 to 7 billion.

The India valsartan market is driven by the growing geriatric population in the country, susceptible to various chronic diseases such as cardiovascular diseases including heart failure, myocardial infarction, hypertension, diabetes, among others. This has drastically increased the patient pool and is expected to positively influence the market growth through 2025. Additionally, valsartan also reduces patient hospitalizations with heart failures, thereby fuelling the market growth over the next few years.

Based on source, the market can be split in in-house and contract manufacturing organizations. The contract manufacturing organizations segment is expected to witness significant growth during the forecast period on account of the increasing outsourcing being done by the major pharmaceutical companies for the manufacturing of APIs and drugs so that they can focus on their R&D activities and expansion plans. Additionally, these organizations have the capability to produce and provide bulk quantities of formulation to their clients at affordable prices and in lesser time.

The major players operating in the India valsartan market are Jubilant Pharma, Aurobindo Pharma, Sun Pharmaceuticals, Amneal Pharmaceuticals, Torrent Pharmaceutical, Unichem Laboratories, Novartis India, Dr. Reddy’s Laboratories, Teva Pharmaceuticals, Lupin Pharmaceuticals and others. Major companies are developing advanced technologies, receiving approvals from regulatory bodies and launching new products in order to stay competitive in the market. Other competitive strategies include mergers & acquisitions and new product developments.

The major global market players are Nippon Shokubai, Evonik, Arkema, Dow, Jiangsu Jurong, BASF, Mitsubishi Chemical among others.

Irbesartan

Irbesartan, sold under the brand name Avapro among others, is a medication used to treat high blood pressure, heart failure, and diabetic kidney disease. It is a reasonable initial treatment for high blood pressure. It is taken by mouth. Versions are available as the combination irbesartan/ hydrochlorothiazide.

The increasing prevalence of high blood pressure is driving the Irbesartan market. Hypertension is a primary contributor to heart disease and stroke, the first and third leading causes of death worldwide. Approximately 29% of the world’s population is expected to suffer from hypertension by 2025, accelerated largely by increase in instances in economically developing nations. In the past three decades, the highest global blood pressure levels have moved from high-income countries to low-income countries in South Asia and sub-Saharan Africa due to opposite trends, while blood pressure has been determinedly high in central and Eastern Europe. The US FDA’s voluntary recalls owing to suspects of cancer-causing chemicals and contamination are hindering the growth of the Irbesartan market of approximately USD 2 to 2.5 billion.

The global market is dominated by Teva, Taj Pharmaceuticals, Sumitomo Dainippon Pharma, Sanofi, Hanall, BMS, Jiangsu Hengrui Medicine, Shionogi, Novartis, Apotex, Zhuhai Rundu Pharma, Tianjin Huairen Pharmaceutical, Verdant Life Sciences among others.

Telmisartan

Telmisartan, sold under the trade name Micardis among others, is a medication used to treat high blood pressure, heart failure, and diabetic kidney disease. It is a reasonable initial treatment for high blood pressure. It is taken by mouth. Versions are available as the combination telmisartan/hydrochlorothiazide and telmisartan/amlodipine.

Availability of better treatment options for hypertension has lead substantial portion of the hypertensive population with controlled blood pressure. But rising population with cardiovascular and associated disorders urges the need for different antihypertensive drugs in the global market. Telmisartan is a non-peptide angiotensin receptor blocker intended for treatment of hypertension and other cardiovascular disorders. Telmisartan was approved by the US FDA in 1998, for the treatment of hypertension alone or in combination with other compounds. The global telmisartan market size was valued at ~USD 4.0 billion in 2019, and is expected to witness a CAGR of 1.4% over the forecast period (2019 – 2025) to reach ~USD 4.4 billion.

Key players operating in the Telmisartan market include Medtronic, C. R. Bard, ConvaTec Group, Smith Medical, KindWell Medical Equipment, Royax, Fuji Systems, Teleflex Incorporated., Neurovision Medical Products, and Intersurgical among others.

Losartan

Losartan, sold under the trade name Cozaar among others, is a medication mainly used to treat high blood pressure. It is also used for diabetic kidney disease, heart failure, and left ventricular enlargement. It is taken by mouth. It may be used alone or in addition to other blood pressure medication.

The global losartan market was valued at USD 4.4 Bn in 2019 and is expected to grow at a formidable rate of 7.81% during the forecast period. The global Losartan market is driven by the growing prevalence of hypertension, stroke and diabetic nephropathy across the world. Losartan is a medication that is used to treat high blood pressure. Furthermore, Losartan is widely used in slowing down long-term kidney damage due to type II diabetes, which is further expected to propel the market growth through 2025.

The sudden outbreak and spread of the COVID-19 pandemic has resulted in the loss of jobs for many people due to which the level of anxiety and hypertension has increased among the people. This has, in turn, increased the demand for Losartan, thereby fuelling the market growth during the forecast period. Many major biotechnology and pharmaceutical companies are working on manufacturing in-house losartan tablets, which are expected to create lucrative opportunities for the market growth over the next few years.

Regionally, North America is expected to dominate in the overall Losartan market owing to the well-established healthcare infrastructure and presence of major pharmaceutical and biotechnology giants in the region. However, Asia-Pacific is expected to witness robust growth in the market owing to the presence of a large pool of patients suffering from various life-threatening conditions in economies such as China and India.

Major players operating in the global losartan market include Merck, Pfizer, Teva Pharmaceuticals, Sanofi, Novartis International, Dr. Reddy’s Laboratories, Sun Pharmaceuticals, Aurobindo Pharma, Torrent Pharmaceuticals, Lupin, Mylan, Ipca Laboratories, Macleods Pharmaceuticals, Abbott, Cadila Healthcare among others. The companies are developing advanced technologies and launching new products in order to stay competitive in the market. Other competitive strategies include mergers & acquisitions.

India Losartan market is expected to grow at a steady rate during the forecast period. The India Losartan market is driven by high growth in incidence of cardiovascular diseases in India. Additionally, favourable schemes by the Government promoting manufacturing, promotion and development of drugs, intermediates, and active pharmaceutical ingredients are estimated to drive the market growth further. Also, the dose recommended for treating diabetic nephropathy with higher serum creatinine and proteinuria in patients with type 2 diabetes will further boost the demand through 2025.

The major players operating in the India losartan market are Chemspec Chemicals, Alembic Pharmaceuticals, Torrent Pharmaceuticals, Lupin, Teva API India, Novartis India, Aurobindo Pharma Dr. Reddy’s Laboratories, Sun Pharmaceuticals Industries, Taj Pharmaceuticals, Anuh Pharma among others. Major companies are developing advanced technologies, receiving approvals from regulatory bodies, and launching new products in order to stay competitive in the market. Other competitive strategies include mergers & acquisitions, portfolio expansion and new product developments.

Others

The other sartans include Azilsartan, Olmesartan, Candesartan, etc.

Positioning of Chemspec Chemicals Limited

Ultraviolet filters

Chemspec Chemicals Limited is a leader in the manufacturing of various bulk drug intermediates and personal care ingredients. It has a diverse portfolio of UV absorbent ingredients used by FMCG companies. The company manufactures eight distinct products/ UV absorbent ingredients. It is among the global leaders and one of the largest manufactures of UV absorbents/filters.

CHEM OS, CHEM L 150, CHEM 1789 and OMCX are among the products most sold across the globe in this segment. The personal care industry was not affected to a great extent and this primarily drove the market for UV filters. The global demand for OMCX is approximately 6,500 MT and Chemspec Chemicals Limited is one of the largest players in this product segment, contributing to over 10% of the total global demand. Chemspec Chemicals Limited is also the largest manufacturer of OMCX in India and among the top three manufacturers globally. CHEM L 150 (EHT) is a new growing product market, and Chemspec Chemicals Limited's market share of approximately 15.5% in this product segment makes it the largest player in India and the second largest global player in EHT sales. Octocrylene witness the most sales in Fiscal 2021, with a 104% growth during the year.

Avobenzone or CHEM 1789 is an oil-soluble non-toxic chemical that can absorb light across the spectrum. It is a sunscreen that works by absorbing light unlike another sunscreen that emits light, it absorbs light and converts them into energy that is less harmful to the skin, and it is one among the rare sunscreens that absorbs both - UVA and UVB rays. Avobenzone is the best alternative for inorganic sunscreens such as zinc oxide and titanium oxide. Even while the market for sunscreen ingredients during Covid-19 decreased, Chemspec Chemicals Limited experienced a growth in its sales. Chemspec Chemicals Limited contributes to approximately 16% of the total global market in terms of volume making it the largest supplier of Avobenzone under the name CHEM 1789 in India and among the top two companies across the globe.

Phenyl benzimidazole Sulfonic Acid (PBSA) is a UV-B filter which is growing in the market, specifically in sun screen products segment, specifically due to its increased sun protection with increased SPF and photo stability effects. This is a new and growing market in terms of volume of which approximately 40% was contributed by Chemspec Chemicals Limited' "CHEMSOL HS", making the company the market leader with the largest global market share for the PBSA chemicals under UV filters category.

The overall market for UV filters is estimated to be around 20 KT (20,000 MT); Chemspec Chemicals Limited contributes to approximately 15% of the total demand (~3 KT). Chemspec Chemicals Limited is among the top three suppliers of UV filters across the globe and the largest producer in India.

Chemspec Chemicals Limited has a huge export market and exports 2.9 KT of these products to Europe, Americas and other regions. The company observed a 10% increase (volumetric) in exports in Fiscal 2021 over Fiscal 2019. The company has an R&D centre located at their manufacturing plant at Taloja. The company is also focussed on new product development and is expected to introduce three new products under the UV absorbers/filters market. Even while the Covid-19 lockdown restricted the growth of sunscreen products across the globe, Chemspec Chemicals Limited's UV absorbent products have been proven useful across other segments such hair care and cosmetics.

Skin and hair care

Chemspec Chemicals Limited is a leader in the manufacturing of personal care ingredients that cater to skin and hair care. It is the only Indian company as well as amongst one of the few companies globally in these segments whose manufacturing facility is approved by the US FDA.

Zinc pyrithione (or pyrithione zinc), ZPT is an anti-dandruff agent that is currently used in most hair care products across the globe. It has fungistatic (that is, it inhibits the division of fungal cells) and bacteriostatic (inhibits bacterial cell division) properties and is used in the treatment of seborrhoeic dermatitis and dandruff. Zinc pyrithione is approved for over-the-counter topical use in the United States as a treatment for dandruff and is the active ingredient in several anti-dandruff shampoos and body wash gels. In its industrial forms and strengths, it may be harmful by contact or ingestion. Zinc pyrithione can trigger a variety of responses, such as DNA damage in skin cells. According to the harmonised classification and labelling (ATP15) approved by the European Union, this substance is fatal if inhaled, is toxic if swallowed, may damage the unborn child, causes damage to organs through prolonged or repeated exposure, is very toxic to aquatic life with long lasting effects and causes serious eye damage. As a result, EU is planning to ban the use of the product by March 2022 and encourage the adoption of other less fatal products. Following a proposal from the Swedish authorities, the 15th Adaptation to Technical and Scientific Progress of the CLP Regulation (Classification, Labelling and Packaging of Substances) formalised the carcinogenic classification of category 1B; thus banning the substance in cosmetic products, with entry into force set for March 1, 2022. The European Commission has notified the draft Regulation providing for a total ban on zinc pyrithione to the WTO, including as an anti-dandruff agent. Twenty-three substances classified as CMR (including zinc pyrithione) will be added to the list of prohibited substances. Some manufacturers will therefore have to change the formulation of their products in order to remain compliant in Europe. This may in turn be a reason for other regions to adopt similar measures in the future thereby opening doors for less harmful and organic products like piroctone olamine and climbazole which could be a potential replacement option. Regions like Asia, Latin America and Africa in addition to Europe are already shifting focus towards Piroctone Olamine from ZPT.

Piroctone olamine is mainly used in hair care products especially in anti-dandruff shampoos and other cosmetic products for its anti-fungal properties. It has anti-fungal properties and helps reduce erythema, scaling and aids with folliculitis spinulosa decalvans ("**FSD**"). Chemspec Chemicals Limited is one among the top two players across the globe and the largest manufacturer in India of Piroctone Olamine. The company sells the product under the name CHEM PO. CHEM PO acts as an anti-dandruff and preservative agent. It destroys fungus infection responsible for dandruff and leaves the scalp clean, healthy and itch-free. It increases the viscosity of surfactant systems, reducing the need for alternative thickeners in a formulation and aids stability. CHEM PO finds application in formulating leave-on and rinse-off hair care products. With the recent market developments related to ZPT, the demand for piroctone olamine has started increasing and is expected to grow further.

Chemspec Chemicals Limited has witnessed a 239% increase in volumetric sales of this product in Fiscal 2021 as compared to Fiscal 2019. CHEM PO is widely used for domestic as well as international consumption. The market concentration is high; the main players in the global market are Chemspec Chemicals Limited, Clariant, Spec Chem Group and Kumar Organic Products. Among these, Clariant is the player with a market share of ~31% in 2019 followed by Chemspec Chemicals Limited, making up for 11.5% – 12.5% by volume. Chemspec Chemicals Limited is one of the top two players in the global market. It is the second company to register with REACH.

Chemspec Chemicals Limited is also developing two new products in the hair care segment in addition to CHEM PO.

Antiinfective

Chemilide, a TCC sold by Chemspec Chemicals Limited, is a broad-spectrum anti-infective against bacteria, fungi, spores, protozoa, yeasts and viruses. It is used widely as the active ingredient in disinfectant soap bars. It also has a well-established use in toilet soap shampoo, lotion, shower cream, cosmetics, deodorant, dishwashing, detergents etc. It also can be used as an antiseptic or antifungal agent in glues, paints, fibers, paper processing, cutting oils, leather processing, photographic products, polishes and many such related applications.

The global market for TCC is around 700 KT; Chemspec Chemicals Limited makes up for ~70% of the share and is the largest producer of TCC in the world.

Sartans

Chemspec Chemicals Limited is among the key players in the specialty chemicals segment, with a wide range of Sartan intermediates that are used specifically for the manufacture of anti-hypertension drugs.

The Indian anti-hypertensive drug market is expected to grow at over 4.5% to reach USD 1.9 billion by 2025, driving the demand for sartan intermediates. Currently, few players in India produce Sartans, namely, Lupin, Sigmak Life Sciences, etc. Chemspec Chemicals Limited is one of the largest producers of Sartan intermediates in India. In terms of sales, Chemspec Chemicals Limited has managed to see a double digit growth in Sartan intermediate sales. In 2021, it surpassed sales of ~217 KT and managed to achieve close to 70% volumetric growth and over 105% value growth as compared to FY 2019. The company is proposing to broaden its product portfolio by introducing four new products under the pharmaceutical intermediates segment.

Chemspec Chemicals Limited is best positioned and among the top three companies in India and among the top four companies globally, in the production of Sartan intermediates (specific to its product basket). It will also profit from the ongoing Government incentives to revive the Pharmaceutical API industry and the decrease in over reliance on Chinese imports. India's continued growth in the pharmaceutical and API industry is set to directly benefit the country's producers of excipients and intermediates.

Chemspec Chemicals Limited is largest Indian supplier of DIAZASPIRO HCL and TTBB (1-Triphenyl Methyl -5-[4'-(bromomethyl){1,1-biphenyl }2-yl]-tetrazole).

While the overall market for Sartans is expected to grow at an average rate, the shift of intermediate supplies from China to India will grow Chemspec Chemicals Limited's business faster. While the current concentration of production is in China, Government initiatives and incentives are encouraging a shift in the production base from China to India for APIs and intermediates. Due to such reasons, Chemspec Chemicals Limited is expected to highly benefit while it continues to concentrate on domestic sales.

OUR BUSINESS

The following discussion includes certain forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties, which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. In order to obtain a complete understanding of our business and risks and uncertainties faced by our business, prospective investors should read this section in conjunction with "Forward Looking Statements", "Risk Factors", "Industry Overview", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 15, 21, 88 and 257, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

In connection with the Offer, we commissioned the Frost & Sullivan Report for the purposes of confirming our understanding of the industry. Neither our Company, nor any other person connected with the Offer, including the BRLMs, has independently verified the information in the Frost & Sullivan Report or other publicly available information cited in this section. All industry-related information contained in this section is derived from the Frost & Sullivan Report.

Overview

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). We are amongst the top 4 manufacturers globally of the products across our product basket. We are one of the largest manufacturers of UV absorbers globally and are among the top two global manufacturers of personal care ingredients catering to skin and hair care. We are also the largest manufacturer of 'piroctone olamine' in India and are the largest producer of 'chemilide' (an anti-bacterial ingredient) in the world with an approximate market share of 70% (*Source: Frost & Sullivan Report*). We manufacture our products at our production facility at Taloja, Maharashtra, which has been audited and approved by the United States Food and Drug Administration ("**US FDA**"), making us amongst a few global companies in the pharmaceutical intermediates and FMCG segments that is registered with US FDA, which has, in turn, helped boost our reach and business with leading American brands (*Source: Frost & Sullivan Report*). Since incorporation over 40 years ago, we have significantly expanded our business and scale of operations. In the last three Fiscals, our global distribution network was spread across 43 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa.

Under our FMCG segment, we manufacture UV filters which are used as the primary ingredient in sunscreens, vitamins used in skin care, fairness and anti-ageing creams and ingredients used antibacterial soaps and handwashes. We are the largest producer in India and among the top three suppliers of UV filters across the globe (*Source: Frost & Sullivan Report*). Further, we also manufacture molecules used in anti-dandruff shampoos. Such molecules include "piroctone olamine", which has anti-fungal properties and help reduce erythema, scaling and aids with folliculitis spinulosa decalvans ("**FSD**"). We are among the two largest global manufacturers and the largest Indian manufacturer of piroctone olamine (*Source: Frost & Sullivan Report*). Our customers in the FMCG segment include leading multinational corporates such as Beiersdorf AG, Unilever Supply Chain Company AG, L'Oreal, DSM Nutritional Products Limited, Godrej Consumers Products Limited, etc., with several of whom our relationship extends to over several decades. For Fiscals 2021, 2020 and 2019, our revenue from the FMCG product group was ₹4,335.41 million, ₹5,148.52 million and ₹2,836.58 million, which was 86.67%, 88.88% and 89.76%, respectively, of our revenue from operations (sale of products) during such periods.

As part of our pharmaceuticals segment, we manufacture intermediates for sartans, which is relatively new group of pharmaceutical drugs used to treat hypertension. Customers in this segment include producers of sartan intermediates in India as well as globally, such as Glenmark Life Sciences Limited, Dr. Reddy's Laboratories Limited, CTX Lifesciences Private Limited, USV Private Limited, etc., with whom our relationship extends between five to 20 years. For further details, see "*Business – Our Customers - In the pharmaceutical segment*" on page 141. For Fiscals 2021, 2020 and 2019, our revenue from the pharmaceutical segment was ₹666.81 million, ₹644.26 million and ₹323.47 million, which was 13.33%, 11.12% and 10.24%, respectively, of our revenue from operations during such periods.

Our experience in the industry and long-standing relationships with the above mentioned clients along with stringent regulatory approvals required in order to conduct this business acts an entry barrier. Entry barriers also include high cost of product development, complexity of the chemistry involved in manufacturing, time and cost involved in developing technologies and lengthy supplier qualification process. We have built up goodwill with our customers over the years and in close collaboration with them, we have been able to innovate and develop technologies that can be applied effectively to the end products for improving product performance. As a manufacturer of critical chemical additives, it is imperative for our products to be approved and certified by customers, which is demonstrated through our long standing relationship with such customers. During such period we have also collaborated on complex chemistries, aimed at product customisation and innovation, in order to develop products based on our client's specific requirements. The allied benefits of such long standing relationships have also resulted in sustained growth and success and it also acts a significant entry barrier.

We remain focussed on research and development (R&D) and invest on product development. We continuously monitor industry trends to ensure that our products remain relevant in helping our customers meet the evolving market demands and enhance their brand value. Through our R&D initiatives, we undertake collaborative product development with our customers, which enables us to customize our products in line with customer expectations and consumer preferences, whilst simultaneously ensuring shorter lead-times. For further details of our R&D initiatives, please see "*Our Business – Competitive Strengths - Continuous R&D and process improvement to drive product development" on page 138.*

We manufacture our products at our facility at Taloja, Maharashtra. As of March 31, 2021, our facility had a production capacity of 6,000 TPA. We also propose to expand our manufacturing capacities, in order to address the growing demand for existing as well as newer products. For further details, see "*Our Business – Strategies*" on page 139. From March 31, 2019 to March 31, 2021, we increased our capacities from 4,500 TPA to 6,000 TPA. For further information, see "*Our Business – Total capacity and capacity utilisation*" on page 142. Our facility is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified, and has also received 'Halal' certification and ICHQ7 certification. Our facility has also been audited and approved by the US FDA and continues to be subject to periodic audits by the US FDA. Our facility is also subject to periodic audits by our customers, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. At the location of our manufacturing facility, we also have established our laboratory and R&D facility, which is approved by the Department of Scientific and Industrial Research, Government of India. Further, we have established a "pilot plant" at the same site, which enables trial runs of new production processes and products prior to commencement of commercial production. The effluent treatment comprises of a physio – chemical treatment, which precedes activated sludge process and tertiary treatment. We have also installed a four stage multiple evaporator system, followed by a process in our reverse osmosis plant. We believe that such processes have assisted us in increasing product quality and industry goodwill.

The principal raw materials we use to manufacture our products include phenol derivatives, isobutylene derivatives, benzene and aniline derivatives, cresol derivatives, etc. We source our raw materials from a diversified base of vendors with whom we have long-standing relationships. Our procurement team is responsible for monitoring global drivers and raw material sourcing. Our diversified vendor base helps us reduce our dependence on a limited number of vendors, thereby minimising risks of supply disruptions and price fluctuations. The majority of our raw materials are sourced from Indian manufacturers while some are imported from China and France. However, as on date, we manufacture most of our skin care products entirely from locally sourced raw materials. For Fiscals 2021, 2020 and 2019, the cost of raw materials sourced from India was 61.70%, 72.57% and 67.86%, respectively, of our total raw material expenses during such periods.

We distribute our products across the country and the world through a strong distribution network, which is instrumental in effective supply- chain management as well as monitor exposures to risks that may arise from customer or geographical concentration. Over the years, we have evolved from a local supplier to FMCG companies in India to a supplier to multinational FMCG companies in 43 countries across five continents. We manage distribution through our sales team, who is supported by reputed third party distributors across geographies where we operate and market our products. Our revenues from such companies constituted 86.67%, 88.88%, and 89.76%of our total revenue from operations for Fiscals 2021, 2020 and 2019.

We believe that our market position, scale of operations, the US FDA approval and customer faith have had a significant impact on our revenues and profitability. Our total income for Fiscals 2021, 2020 and 2019 was ₹5,103.39 million, ₹6,070.10 million and ₹3,352.60 million, respectively. For Fiscals 2021, 2020 and 2019, our export revenue was 67.39%, 63.99% and 62.61%, respectively, of our revenue from operations (sale of products) during such periods, which represented a CAGR of 30.53% (CAGR of Export Revenue). Our EBITDA for Fiscals 2021, 2020 and 2019 was ₹1,238.25 million, ₹1,025.25 million and ₹245.44 million, respectively and our EBITDA Margin for the same periods was 24.48%, 17.18% and 7.53%. Our profit after tax for Fiscals 2021, 2020 and 2019 was ₹810.83 million, ₹607.46 million, and ₹51.15 million, respectively and our profit after tax margin for the same periods was 15.89%, 10.01% and 1.53%. Our RONW was 44.23%, 59.41% and 8.75% for Fiscals

2021, 2020 and 2019. Our ROCE was 59.36%, 79.03% and 18.15%, as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our net debt was ₹(495.03) million, ₹505.47 million and ₹943.47 million, as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Competitive Strengths

We believe the following are our competitive strengths:

Leadership position in an industry with a high entry barrier

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). We are amongst the top 4 manufacturers globally of the products across our product basket. Within the FMCG ingredients, we are amongst the global leaders and one of the largest manufacturer of UV absorbents / filters. Further, in personal care ingredients catering to skin and hair care, we are one among the top two players, globally and the largest manufacturer of 'piroctone olamine' in India. Also, we are the largest producer of 'chemilide' (an anti-bacterial ingredient) in the world with a ~70% market share. In pharmaceutical ingredients, we are among the top three market leaders in India and among top four globally in production of sartan intermediates (specific to its product basket) (*Source: Frost & Sullivan Report*). Our leadership position can be attributed to factors such as our long standing relationship with global clientele, our business experience, our research and development initiatives and consistent quality of our products. Such leadership position offers us competitive advantages such as product pricing, reduced costs due to economies of scale, our ability to scale our business, customer loyalty and increasing our client base, all of which has in turn resulted in the growth of revenues and EBIDTA over the years. From Fiscals 2019 to 2021, our revenue and EBIDTA has increased at a CAGR of 24.58% and 124.61%, respectively.

Our competitive advantage is further augmented by the high entry barriers to this industry. Such entry barriers include the high cost and intricacy of product development and manufacture, lead time and expenditure required for research and development and building customer confidence and relationship, which can only be achieved over a period of time. Given the nature of the application of products and the complex processes involved products are subject to extremely sensitive and rigorous product approval systems with stringent impurity specifications. Typically, a supplier is enlisted with customers only post its qualification processes which take a few years, particularly in the pharmaceutical industry, where stringent regulatory and industry specific also acts as an entry barrier. Further, the costs associated with change in suppliers of such products are relatively high, consequently disincentivising any such change. Customers typically select suppliers after a process of acute review and tend to develop long-term relationships with a limited number of suppliers (*Source: Frost & Sullivan Report*).

Long-standing relationships with a marquee customer and distributor base across geographies

One of the entry barriers to the industry in which we operate is the lead time required to build confidence and relationships with marquee customers across geographies. We believe that we have been able to establish such relationships through decades of association, collaborative efforts through research and development of new and customised additives and by undertaking synergetic business opportunities. Such association has also allowed our products to be approved by our customers, which by itself takes several years due the complex chemistries involved in the manufacture of the additives and end products. Further, our customers in the pharmaceutical industry operate in regulated markets and collaborating with new suppliers significantly increases their operating time and cost. As a result, we have a "first mover advantage" in this industry, which has resulted in repeat business from our customers and enabled us to develop long standing relationship with them. Our customers in the FMCG segment include Beiersdorf AG, Unilever Supply Chain Company AG, L'Oreal, DSM Nutritional Products Limited, Godrej Consumers Products Limited, etc. In pharmaceutical segment, our customers include companies such as Glenmark Life Sciences Limited, Dr. Reddy's Laboratories Limited, CTX Lifesciences Private Limited, USV Private Limited, etc. With many of such customers, our relationship extends to several decades. For further details of our material customers and the period of association, please see "*Our Business – Our Customers*" on page 141. Such long-term association with key customers also offers significant competitive advantages such as revenue visibility, industry goodwill and quality assurance. Further, such long term association also allows us to up-sell and cross-sell our diverse range of our products. Since, in the last three Fiscals, our customers are from diverse geographies, which extends across 43 countries in five continents, it offers us a business risk insulation. Additionally, such diversified global customer base assists in reducing our dependence on a single or a smaller group of geographies, which helps in mitigating the effect of economic and industry-specific cycles.

Our sales across geographies is augmented by our distribution network, which is instrumental in effective supply-chain management as well as monitor exposures to risks that may arise from customer or geographical concentration. We are supported by reputed third party distributors across geographies which include Summit Pharmaceuticals Europe Srl, Quimdis, American Chemie Inc., Industrial Quimica Anastacio and Namsiang Group, with whom we are associated with over many years. We believe that our relationship with such reputed third party distributorship network has assisted in scaling of our business, increasing our international presence and clientele and enhanced goodwill.

Continuous R&D and process improvement to drive product development

For a company engaged in the manufacture of speciality chemicals, which includes complex chemistries, R&D is a necessary component of business, leading to corporate success and growth. We have invested significant time, cost and effort on R&D initiatives, which we believe has been a catalyst for our growth and contributes significantly to our ability to meet customer needs in a competitive market. We have a dedicated in-house R&D team, which focuses on product development across segments. This team comprises of doctorates and chemists, and they operate out of our R&D Centre, which is located at our manufacturing facility in Taloja, near Mumbai. The R&D Centre has been recognized by the Department of Science and Technology, Government of India. Further, we have established a "pilot plant" at the same site, which enables trial runs of new production processes and products prior to commencement of commercial production. Through our R&D initiatives, we also undertake collaborative product development with our customers, which enables us to customize our products in line with customer expectations and consumer preferences, whilst simultaneously ensuring shorter lead-times.

Diversified portfolio of functionally critical products across segments

One of our business strengths lie in the diversity of our product mix and the relative higher value they add to a wide range of customers' end products. Our speciality chemicals are critical additives in sunscreens, skin care products, fairness and anti-ageing creams, anti-dandruff shampoos, antibacterial soaps and handwashes and anti-hypertensive drugs. Our range of UV filters serve as the primary functional ingredient in a range of sunscreens and fairness creams. Our vitamin products are an essential component of skin care products, shampoos and conditioners. Our vitamin products are used in skin care products, aimed at protecting and promoting skin development and improving its appearance. Our molecules used in anti-dandruff shampoos, has anti-fungal properties. The product helps reduce erythema, scaling, burning/stinging sensation, and pruritus in patients with FSD, which is disorder affecting the hair follicles characterized by scarring alopecia of the scalp. We also manufacture intermediates for sartans, which is relatively new group of pharmaceutical drugs used to treat hypertension. Sartans have less reactions on internal organs and therefore, its use is increasing consistently (*Source: Frost & Sullivan Report*). For Fiscals 2021, 2020 and 2019, (a) our revenue from the FMCG product groups contributed to 86.67%, 88.88% and 89.76%, respectively, of our revenue from operations (sale of products) during such periods, and (b) our revenue from the pharmaceutical product groups contributed to 13.33%, 11.12% and 10.24%, respectively, of our revenue from operations during such periods, which demonstrates the success of our business through product diversity. We believe that our diversified product portfolio allows us to sell more products to existing customers, diversify our customer base, scale into new markets, insulate ourselves from cyclical effects of the economy and from adverse effects faced by certain sectors.

Advanced manufacturing facility, which is registered with the US FDA, with strong focus on environment, sustainability, health and safety measures

We manufacture our products at our facility at MIDC Taloja, Maharashtra, which has an installed capacity of 6,000 MTA, as of March 31, 2021. The facility has been audited and approved by the US FDA, making us amongst a few global companies in the pharmaceutical intermediates and FMCG segments that is registered with US FDA (*Source: Frost & Sullivan Report*). The US FDA approval certifies the high quality of our manufacturing facility and processes. It also implies that a product manufactured at such facility has undergone a rigorous quality check process and review, enforces belief in the product, thereby increasing the ability to scale, permits access to customers in certain markets in which the US FDA approval is a precondition and increases corporate goodwill. The US FDA approval has significantly boosted our business, allowing us to partner with and supply products to leading global FMCG companies and dermatological brands. It has also allowed us to maintain our leadership position in the market, in the segments we operate in. In addition to the US FDA approval, our facility has received a number of quality certifications such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, 'Halal' certification and ICHQ7 certification, which confirm the continuance of quality of our facility and processes. Our facility is also subject to periodic audits by our customers, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. At the location of our manufacturing facility, we also have established our laboratory and R&D facility, which is approved by the Department of Scientific and Industrial Research, Government of India, a quality control department, warehouse, and effluent treatment system. The effluent treatment comprises of a physio – chemical treatment, which precedes activated sludge process and tertiary treatment. We also have a four stage multiple evaporators system, followed by a process in our reverse osmosis plant. This has enabled our manufacturing facility to become a 'zero liquid discharge' facility. Such initiatives have also assisted us in the conservation of water and reduction in the effluent load.

We outsource a part of our manufacturing activities, on a job work basis, to certain third party manufacturers. Such outsourcing permits us to scale rapidly in case of an unanticipated increase in demand or due to other commercial considerations. However, since the finishing line for our products is situated at our manufacturing facility, we are able to put in place appropriate measures for quality control monitoring. For Fiscals 2021, 2020 and 2019, 14.71%, 8.16% and 12.60% of our total sales were attributable to products manufactured on a job work basis. For further details, see "*Our Business - Our Manufacturing Facility*" on page 141.

Experience of the Promoter and senior management team

We attribute our growth to the experience of our Promoters and senior management team. Our Promoter, Jayant Vora, has been associated with our Company since its inception and has been instrumental in our Company's growth and development. Further, our Promoter and Managing Director, Rushabh Vora, has been associated with our Company for over 25 years. He holds a bachelor's degree of science in engineering from the University of Michigan and his relationships within the industry has helped our Company expand its operations in terms of product portfolio as well as sales to various multinationals across India as well as overseas. Our Promoter and Director, Mitul Vora has been associated with our Company for over 29 years and holds a bachelor's degree of science in business studies from the University of Buckingham. Our Company has benefitted from his commercial acumen gained on account of his experience of over two decades in the insurance and risk management business.

Members of our senior management team also boast significant experience and we believe will be instrumental in our Company's growth, such as Sandip Oza, our General Manager-Works, who is responsible for overseeing our production and operations, has an experience of over three decades in manufacturing with various reputed organisations. Further, Dr Hanfi Ziauddin our Deputy General Manager – Research and Development has over 24 years of experience in the field of research and development with organisations such as Wockhardt Research Centre, Oman Chemicals & Pharmaceuticals L.L.C and Symbio Generrics India Private Limited. We believe that his aptitude for process intensification and 'green chemistry' provides our company with an edge in its R&D initiatives.

Our Strategies

Enhancement of capacities through greenfield and brownfield projects to capitalise on industry tailwinds

We expect the global personal care and pharmaceutical segments, as well as the demand for Indian manufactured speciality chemicals, to steadily grow over the next few years. The increase is primarily driven by the demand in emerging markets of end products as well as a shift to the "China +1" sourcing strategy, adopted by end-user industries. Such shift in sourcing strategy is primarily due to China's tightening environmental enforcement norms, purchasing managers' concerns over heavy dependence on a single source and sanctions imposed by the United States on several Chinese firms. (*Source: Frost & Sullivan Report*).

Zinc pyrithione, which is presently most commonly used anti-dandruff agent in shampoos, can trigger a variety of adverse responses, such as DNA damage in skin cells and other extremely harmful effects on humans, unborn children as well as on aquatic life. As a result, the European Union is proposing to ban the use of zinc pyrithione by 2022 and encourage the adoption of other less fatal products, such as piroctone olamine, climbazole, etc. The European Commission has notified a draft regulation providing for a total ban on zinc pyrithione to the WTO, including as an anti-dandruff agent. Twenty three substances classified as CMR (Carcinogenic, Mutagenic, Reprotoxic) including zinc pyrithione will be added to the list of prohibited substances. Some manufacturers will therefore have to change the formulation of their products in order to remain compliant in Europe. This may in turn be a reason for other regions in addition to EU to adopt similar measures in the future, thereby opening doors for less harmful and organic products like piroctone olamine and climbazole which could be a potential replacement option. Regions like Europe, Asia, Latin America and Africa have commenced the shift towards piroctone olamine. The total current market for zinc pyrithione is ~14,000 MT which will eventually be replaced by molecules like piroctone olamine, climbazole, etc. (*Source: Frost & Sullivan Report)*. We are among the top 2 players across the globe and the largest manufacturer of piroctone olamine in India and will continue to scale production based on demand. Further, since both piroctone olamine and climbazole are ingredients which are used in combination in many shampoos, we also intend to expand our product portfolio by starting to manufacture climbazole. Climbazole is approved by US FDA and is widely used in markets such as the USA, with a market size of 3,500 MT, approximately. Piroctone olamine and climbazole are also used in combination in shampoos. (*Source: Frost & Sullivan Report)*

To cater to such projected increase in demand, we propose to expand our manufacturing capacities by increasing the capacity of our existing facility as well as by setting up of a new facility in Maharashtra. For the new facility, we are evaluating opportunities for land acquisition on commercially feasible terms. The cost of such expansion, land acquisition, related civil works and establishment of plant and machinery would be financed from our internal accruals. At the new facility, we also propose to establish two research laboratories and a pilot plant. We expect the new facility to also mitigate the risk of single site dependency.

Focus on the development of new products across segments, through R&D and process innovation

As a manufacturer of speciality chemicals, a business that involves complex chemistries, innovation through research and development and process improvements in critical for expansion of our product portfolio, thereby increasing our ability to cater to a more diverse consumer base. In collaboration with and pursuant to feedback from, our customers and distributors and with the assistance of our R&D and sales team, we identify products that we would need to develop in order to scale. At present, we are in the process of developing new UV filters, vitamin preservatives and other new ingredients usable in FMCG products as well as certain pharmaceutical intermediates. Further, our R&D team also continues to work on refining our manufacturing processes, aimed at improved yield and efficiency of existing as well as such new products. Development of new products, whether through collaboration with our customers or through our own R&D initiatives, allows us to upsell and cross sell our products, hereby reducing the cost of acquisition per customer. We propose to continue to expand our R&D capabilities and the strength of the team and believe that such investment in R&D provides us with long-term growth opportunities through the introduction of new products, which allows us to further diversify our clientele, result in incremental revenues and increase our profit margins.

Building long term relationship with suppliers, with a focus on local sourcing

While we commenced our operations with complete dependence on imported raw materials, but over time, our focus on local sourcing has significantly increased. For the years ended March 31, 2021, 2020 and 2019, the percentage of the cost of raw materials sourced locally was 61.70%, 72.57% and 67.86%, respectively, of our total cost of raw materials purchased during such periods. Local sourcing offers significant advantages, such as shorter lead time, reduced inventory cost, forex risk insulation, pricing stability and insulates us against any supply chain disruption. As a result of our focus on locally sourced raw materials, we believe that we have developed sustainable relations with local suppliers, with many of who we have enjoyed over half a decade's association. We will continue to collaborate with our suppliers, which is beneficial to expansion planning, cost reduction and development of building long term relationship.

Continue to focus on cost efficiency and improving productivity

Optimisation and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process. Apart from the development of new products, our R&D team also focusses on the refinement of our manufacturing processes, aimed at improved yield and efficiency, by implementation of various chemistries. We also propose to develop eco-friendly and cost effective production processes. Our manufacturing processes propose to promote the development of "green chemistry", which aims to minimize pollution at a molecular level and applies across the life cycle of a chemical product, including its design, manufacture, use, and eventual disposal. Green chemistry aims to design and produce cost-competitive chemical products and processes that attain the highest level of the pollution-prevention hierarchy by reducing pollution at its source. We are also focussed towards improving our cost efficiency by increasing local sourcing of raw materials, which we have ensured, as a business strategy, over the last several years. Ensuring cost efficiencies is significant parameter to order to compete effectively, whether in the domestic market or overseas.

Our Products

Our products are segregated into two segments, (a) FMCG; and (b) pharmaceuticals. As part of our FMCG product portfolio, we manufacture active ingredients used in sunscreen lotions and creams, anti-bacterial soaps, anti-dandruff shampoos, and preservatives. As part of pharmaceutical product segment, we manufacture intermediaries for anti-hypertension drugs.

Our molecules are used in UV filters, as part of sunscreen cosmetics and also as part of other daily use cosmetic products. Our products are also used as vitamins in skin care products, which help in skin protection, development and improvement. Such products are stable, water soluble form of vitamin C, which have skin whitening, antioxidant, collagen synthesis and anti-inflammatory properties.

Our molecules are also used in hair care products such as anti-dandruff shampoos and other such hair care products aimed at arresting hair fall, boosting hair growth, and treating dandruff. Such molecules manufactured by us help to reduce erythema, scaling, burning/stinging sensation, and pruritus in patients with facial seborrheic dermatitis.

Our Customers

Details of some of our key segment wise customers and our period of association with them is as follows:

In the FMCG segment

Sr. No.	Name of customer	Number of years of association
1.	Unilever Supply Chain Company AG	More than 25 years
2.	Godrej Consumer Products Limited	More than 24 years
3.	L'Oreal	More than 9 years
4.	Beiersdorf AG	9 years
5.	DSM Nutritional Products Limited	2 years

In the pharmaceuticals segment

Sr. No.	Name of customer	Number of years of association
1.	Dr. Reddy's Laboratories Limited	More than 19 years
2.	USV Private Limited	More than 7 years
3.	CTX Lifesciences Private Limited	3 years
4.	Glenmark Life Sciences Limited	2 years

Our Manufacturing Facility

We manufacture our products at our facility at Taloja, Maharashtra. The facility is located on land leased from MIDC for a period of 95 years. As of March 31, 2021, this manufacturing facility has a production capacity of 6,000 TPA. The capacity and capacity utilization of the plant for the last three fiscals are illustrated below:

In the FMCG segment

For the year ended March 31, 2019				For the year ended March 31, 2020				For the year ended March 31, 2021			
Installed capacity (TPA)	Actual production (TPA)	% Utilization	Sales (TPA) *	Installed capacity (TPA)	Actual production (TPA)	% Utilization	Sales (TPA) *	Installed capacity (TPA)	Actual production (TPA)	% Utilization	Sales (TPA) *
4,320	3,512	81%	3,502	5,700	3,792	67%	3,677	5,700	3,657	64%	3,702

**Sales include produced manufactured on job work basis*

In the pharmaceuticals segment

For the year ended March 31, 2019				For the year ended March 31, 2020				For the year ended March 31, 2021			
Installed capacity (TPA)	Actual production (TPA)	% Utilization	Sales (TPA) *	Installed capacity (TPA)	Actual production (TPA)	% Utilization	Sales (TPA) *	Installed capacity (TPA)	Actual production (TPA)	% Utilization	Sales (TPA) *
180	124	69%	129	300	211	70%	203	300	230	77%	222

**Sales include produced manufactured on job work basis*

Total capacity and capacity utilisation

For the year ended March 31, 2019				For the year ended March 31, 2020				For the year ended March 31, 2021			
Installed capacity (TPA)	**Actual production (TPA)**	**% Utilization**	**Sales (TPA) ***	**Installed capacity (TPA)**	**Actual production (TPA)**	**% Utilization**	**Sales (TPA) ***	**Installed capacity (TPA)**	**Actual production (TPA)**	**% Utilization**	**Sales (TPA) ***
4,500	3,636	81%	3,631	6,000	4,003	67%	3,880	6,000	3,887	65%	3,924

**Sales include produced manufactured on job work basis*

Our facility is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified, and has also received 'Halal' certification and ICHQ7 certification. Our facility has also been audited and approved by the US FDA and continues to be subject to periodic audits by the US FDA. Our facility is also subject to periodic audits by our customers. At the location of our manufacturing facility, we also have established our laboratory and R&D facility, which is approved by the Department of Scientific and Industrial Research, Government of India. Further, we have established a "pilot plant" at the same site, which enables trial runs of new production processes and products prior to commencement of commercial production.

Manufacturing process

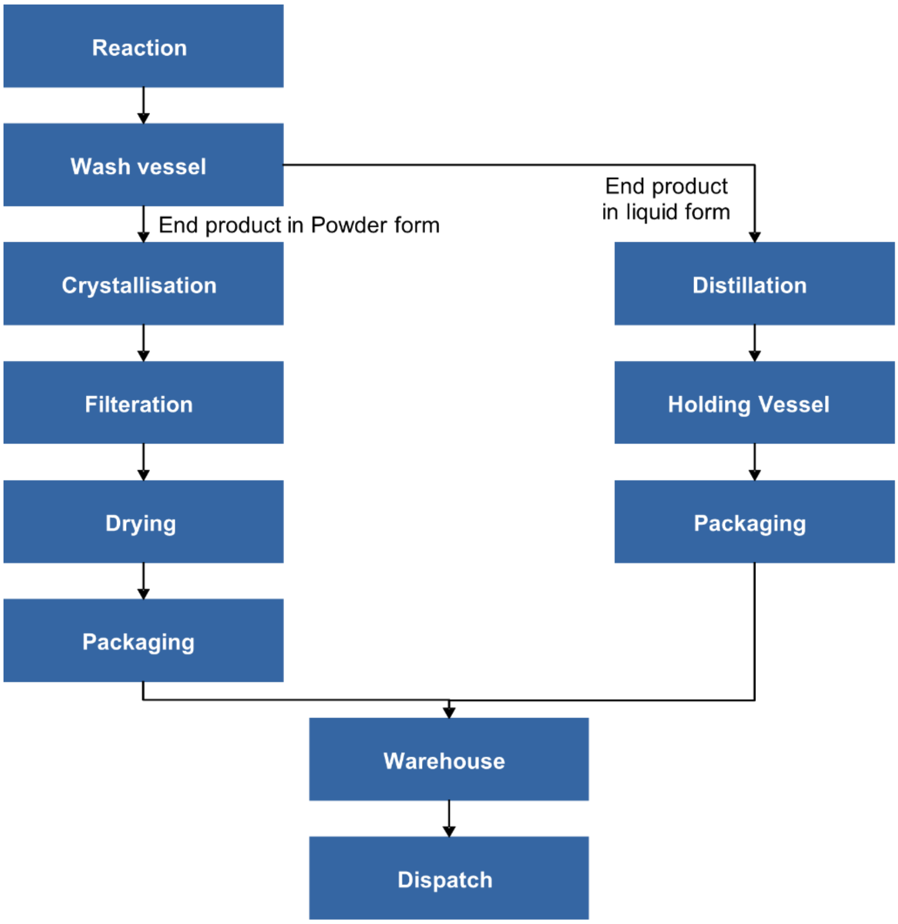
We manufacture a diverse range of products, which include UV filters used in sunscreens, vitamins used in skin care, fairness and anti-ageing creams, molecules used in anti-dandruff shampoos, ingredients in antibacterial soaps and handwashes and intermediates for anti-hypertensive drugs. We believe that our specialization is in following chemical synthesis:

1. Trans Esterification reactions;
2. Esterification reaction;
3. Bromination reaction;
4. Cyanation reaction;
5. Alkylation reaction; and
6. Aldol Condensation reaction.

The primary raw materials used in our manufacturing are process phenol derivatives, isobutylene derivatives, benzene and aniline derivatives, cresol derivatives, etc. At the commencement of the manufacturing process, the necessary raw materials are charged continuously/ batch-wise with a catalyst in reactors (of appropriate capacity and design, based on the type of reaction). Other technical parameters such as temperature, pressure and reaction time are maintained based on the nature of reaction to be undertaken.

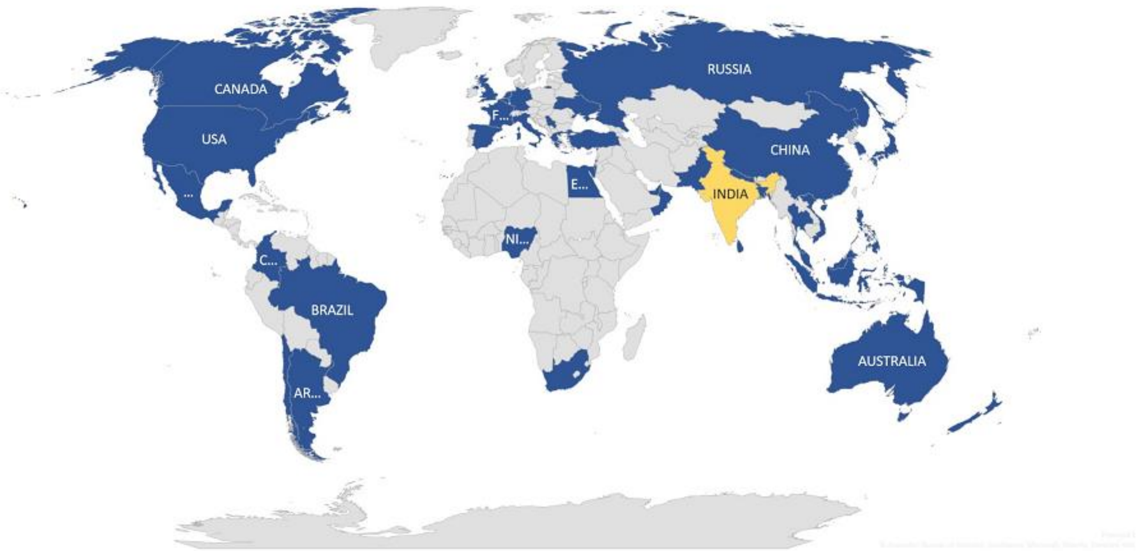
Once the chemical reaction is completed, pursuant to the above process, the product is analysed and subjected to further processing, which includes filtration, continuous/ batch distillations, purification processes to get the required quality product. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

The following is an illustrative flow chart of our production process:



Export

During Fiscals 2021, 2020 and 2019, in aggregate, we have exported our products to 42 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa. The following map illustrates the geographies we have exported our products during such period:



Quality control and quality assurance

We believe that maintaining a high standard of quality of our products is critical for our business, adhering to client specifications and continued growth. Across our manufacturing facility, we have implemented quality control systems that cover all areas of our business processes, which include manufacturing, supply chain to product delivery, in order to ensure consistent quality, efficacy and safety of the products.

As part of our quality control process, we monitor all stages of product development. We have implemented checks and testing systems in place, from the procurement of raw materials to the manufactured product, to ensure the quality of our products and to ensure that the products that we manufacture do not deviate from our customers' specifications. Various in-process quality checks are undertaken to monitor product quality during the manufacturing process. Finished products are tested against the predetermined quality specifications prior to delivery and with respect to their application and such tests are undertaken in our laboratory. Tests are also undertaken to ensure physical properties, purity and quality of the end products. In addition to our in-house quality testing of our products, certain customers conduct periodic quality audits of our manufacturing facility to verify and ascertain effective implementation of quality management systems. Further, through regular internal audits, we ensure that our manufacturing facility is in compliance with local and international regulatory requirements. Our quality control process has resulted in various certifications and approval such as US FDA EIR, ISO 9001: 2015, ISO 14001:2015, ISO 45001:2018 Halal, EFFCI GMP, ICH Q7 and the Indian FDA.

Sales, marketing and distribution

While we are a B2B business, we believe that sales, marketing and distribution initiatives form an integral part of our operations. In the last three Fiscals, through our sales, marketing and distribution team and initiatives, we have been able to expand our scale of operations to 43 countries across five continents, supplying our products to leading multi-national companies. For further details of our customers, please see "*Our Business – Our customers*" on page 141. We also rely on a network of distributors, who assist us in product distribution across such geographies and specifically, customers in their territories. Further, our geographically diverse sales network enables us to market our products as well as understand customer needs in these regions, and consequently, develop products to service such requirements. We also routinely participate in trade shows, road shows and exhibitions to augment our marketing initiatives.

Health and safety

Our manufacturing activities are subject to a number of national and regional laws and regulations. These include regulations on technical safety and environment protection, including, restrictions on air and noise pollution, discharge of effluents and other occupational health and safety regulations. We believe that sustainable manufacturing is the cornerstone of our development, and also acts as a key driver for our growth and prospects.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our manufacturing facility or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We also believe that all our manufacturing facility possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution.

Our effluent treatment facility has been vetted by National Environment Engineering & Research Institute. The effluent treatment facility comprises of a four stage multiple evaporators system, physio – chemical treatment, which precedes activated sludge process and tertiary treatment., followed by a process in our reverse osmosis plant and recycling of water.

Employees

As of March 31, 2021, our Company employed 301 employees. The following table sets forth the details of our employees as of March 31, 2021:

Function	Number of permanent employees
Manufacturing	175
Sales and marketing	8
Quality control	33
Finance, human resources and operations	27
Export	2
Material (purchase, stores, dispatch)	22
Project, engineering and maintenance	34
Total	**301**

Information technology

IT systems are important to our business and we have adopted several IT processes to assist our operations. We utilize an enterprise resource planning solution, Inhouse ERP, which assists us with various business functions including sales, materials management, production planning, quality management, plant maintenance, finance and controlling, and human resources.

Competitors

As there are significant entry barriers to this business, most of our competitors are multinational companies. Such competitors include BASF Corporation, Symrise, Nanjing Cosmos, Clariant Limited, etc. However, we also face competition from a few domestic companies, which operate on a significantly smaller scale than our business.

Insurance

Our operations are subject to risks inherent to manufacturing operations, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements. Our principal types of insurance coverage include an industrial all risk insurance policy with respect to our manufacturing facility, insurance policies for our workmen, a fire and special peril policy for the stock in our unit and godowns as well as a public liability policy. We believe that our insurance coverage is consistent with industry standards. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "*Risk Factors – Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows*" on page 40.

Corporate social responsibility

Our Company has formulated a Corporate Social Responsibility ("**CSR**") policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors have also constituted a Corporate Social Responsibility Committee. Our CSR initiatives mainly focus on areas including education, promoting gender equality, women empowerment, environment sustainability initiatives, rural development projects, etc.

Properties

Our Registered and Corporate Office and our manufacturing facility is situated at Plot No. 3-C, MIDC Taloja, Panvel, Raigad - 410 208, Maharashtra, India. The land on which our Registered and Corporate Office and manufacturing facility is located has been leased from MIDC for a period of 95 years commencing from December 1969. For further details, see "*Risk Factors - Our Registered and Corporate Office and our manufacturing facility is located on a leased premise. If the lease is terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations*" on page 37.

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain Indian laws and regulations which are relevant to our Company's business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation and applicable shops and establishments statutes apply to us as they do to any other company in India. For details of government approvals obtained by our Company, see *"Government and Other Approvals" on page 275*.

The information detailed in this chapter, is based on the current provisions of Indian law, which are subject to changes, amendments or modifications by subsequent legislative actions, regulatory, administrative or judicial decisions.

Laws in relation to our business

***The Factories Act, 1948** ("**Factories Act**")*

The term '*factory*', as defined under the Factories Act includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workers are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act mandates the '*occupier*' of a factory i.e., the person who has ultimate control over the affairs of the factory to ensure the health, safety and welfare of all workers in the factory premises. In the case of a company, any one of the directors shall be deemed to be the '*occupier'* of a factory. Further, the "*occupier*" of a factory is also required to ensure, amongst others that the (i) the provision and maintenance of the plant and systems of work in the factory are safe without risks to health; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of instruction, training and supervision to ensure workers' health and safety; and (iv) the provision and maintenance or monitoring of the working environment in the factory for the workers, by ensuring it is safe, without risks to health and that there are adequate facilities and arrangements for their welfare at work. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both, in accordance with the provisions of the Factories Act.

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

The Boilers Act and rules thereof encompass rules and regulations for the safe and proper construction, erection, repair, use and operation of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant state governments. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings. The Boilers Act also lays down the process for formulation of boiler rules, examination by and appointment of boiler inspectors, provisions for inspection certifications and imposition of penalties for the violations of any provisions of the Boilers Act.

The Public Liability Insurance Act, 1991 ("PLI Act")

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate *inter alia,* the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules prescribes for the regulations for pre-packing and the sale of commodities in a packaged form, certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual MRP and bringing e-commerce within the ambit of these rules.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till September 30, 2021) provides that no person or company can make exports or imports without having obtained an importer exporter code ("**IEC**") number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

The Poisons Act, 1919 ("Poisons Act")

The Poisons Act enables state governments to grant licenses for the possession, sale, wholesale or retail and fixing of the fee, if any, of poisons. The Poisons Act also enables state governments to regulate the classes of persons to whom such license may be granted, the maximum quantity of poison which may be permitted to be sold, etc.

Maharashtra Poisons Rules, 1972 ("Poisons Rules")

The Poisons Rules were formulated by the state of Maharashtra in exercise of its powers conferred by the Poisons Act, 1919. The Poisons Rules prohibits any person from possession or selling any substances that are classified as poisonous by the Poisons Rules, including, methanol, either through wholesale or retail channels except with the prior permission of the licensing authority.

Environmental laws

The Environment (Protection) Act, 1986 ("EPA")

The EPA was enacted to enable the protection and improvement of the environment and for matters connected to, therewith. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. The EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions of areas in which industries may operate, laying down procedures and safeguards for the prevention of accidents which may cause environmental pollution, including prescribing remedial measures for such accidents, and to generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the state boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to commencing any such activity.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term "*hazardous waste*" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "*occupier*". Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 ("Chemical Accidents Rules")

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by *inter alia*, setting up a central crisis group and a crisis alert system. The functions of the central crisis group *inter alia* include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

Labour related legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965 the Bombay Shops and Establishments Act, 1975 and the Maternity Benefit Act, 1961, Maharashtra Labour Welfare Fund Act, 1953 among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including Employee's Compensation Act, 1923, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act,1961 and the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008, received the assent of the President of India on September 28, 2020. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

The Occupational Safety, Health and Working Conditions Code, 2020 which amends and consolidates laws relating to occupational safety and working conditions, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. It received the assent of the President of India on September 28, 2020.

These codes shall become effective on the day that the Government shall notify for this purpose.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for over day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Chemspec Chemicals Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 15, 1975 issued by the RoC. Our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on June 24, 2021 and consequently the name of our Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on July 8, 2021.

Change in the registered office

Except as disclosed below, there has been no change in our registered office since incorporation.

Effective date of change	Details of change	Reason(s) for change
June 19, 2021	The registered office of our Company was changed from Commercial Union House, 2nd Floor, 9, Wallace Street, Fort, Mumbai – 400 001 to Plot No. 3-C, MIDC Taloja, Tal - Panvel, District - Raigad, Navi Mumbai – 410 208	For improving operational efficiency

Changes in the name of our Company

Except as disclosed below, there have been no changes in the name of our Company since incorporation:

Effective date of change	Details of change	Reason(s) for change
July 8, 2021	The name of our Company was changed from 'Chemspec Chemicals Private Limited' to 'Chemspec Chemicals Limited'	Conversion from a private limited company to a public limited company

Main Objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

"1. To acquire and take over as a going concern the business now carried on in Greater Bombay in the name of 'Chemspec' and all or any of the assets (including goodwill) and liabilities of the partnership business and to enter into agreement to acquire the same.

2. To carry on business as manufacturers of Chemicals, distillers, dye-makers and to manufacture and deal in all kinds of dyestuff, chemicals and auxiliaries.

3. To carry on business of manufacturers of and dealers, importers, exporters of chemicals, organic and/or in-organic chemicals.

4. To carry on the business of chemicals, druggists, dry salters oil and Colourmen, importers, exporters and manufacturers of and dealers in pharmaceuticals, medicinal, chemical, industrial preparation."

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' Resolution	Particulars
February 9, 2018	Clause III of our Memorandum of Association, namely, the objects clause was rearranged to comply with the applicable provisions of the Companies Act.

Date of Shareholders' Resolution	Particulars
March 27, 2021	Clause V of our Memorandum of Association was amended to increase the authorized share capital of the Company from ₹10,000,000 divided into 95,000 equity shares of ₹100 each and 5,000 preference shares of ₹100 each to ₹110,000,000 divided into 1,095,000 equity shares of ₹100 each and 5,000 preference shares of ₹100 each
March 30, 2021	Clause V of our Memorandum of Association was amended to reflect the sub-division of the face value of the Equity Shares of our Company. As a result of such sub-division, the number of Equity Shares in Clause V of the Memorandum of Association stood revised from ₹10,000,000 comprising of 95,000 equity shares of ₹100 each and 5,000 preference shares of ₹100 to ₹110,000,000 comprising of 54,750,000 equity shares of ₹2 each and 5,000 preference shares of ₹100 each
June 24, 2021	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Chemspec Chemicals Private Limited' to 'Chemspec Chemicals Limited'

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar	Particulars
1975	Our Company was incorporated
1997	Commenced manufacturing of octyl methylcinnamate, used in UV filters for sunscreen
1998	Commenced manufacturing of trichlorocarbanilide, used in producing anti-bacterial soaps
2002	Shifted the manufacturing unit from Mumbai to Taloja MIDC
	Commenced manufacturing of API intermediate 2-(N-Triphenylmethyl Tetrazolyl)-4-Bromomethyl biphenyl, used in anti-hypertension drugs
2005	Recognised as export house by Director General of Foreign Trade, Ministry of Commerce
2007	Received the ISO 9001:2008 certificate for the development, manufacture and export of speciality chemicals and pharma intermediates issued by Det Norske Veritas
2009	Received Indian FDA certificate (Maharashtra State)
2012	R&D facility certified by Department of Scientific and Industrial Research
2014	Commenced manufacturing of piroctone olamine used in antidandruff shampoos
2015	Received status of "One Star Export House" from the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India
	Received HALAL certification
	Received the ISO 14001:2004 certification
2017	Commenced manufacturing of ascorbyl phosphate (CHEM SAP) used in skin care
	Manufacturing facility audited and certified by US FDA
2018	Became member of Federation of Indian Export Organisations, Ministry of Commerce and Industry, Government of India
2019	Became member of the Basic Chemicals, Cosmetics and Dyes Export Promotion Council
2020	Received EFfCI GMP Cosmetic Ingredients certificate from SGS Limited
2021	Received ICH Q7 certificate from iCompliance
	Received renewed ISO 14001:2015 and ISO 9001:2015 certifications
	Renewed membership of Federation of Indian Export Organisations, Ministry of Commerce and Industry, Government of India
	Received Global Product Compliance certification for substances manufactured, from European REACH
	Our Company was converted into a public limited company, pursuant to a fresh certificate of incorporation issued by the RoC on July 8, 2021

Key awards, accreditations or recognitions

For details with respect to our accreditations and recognitions, see "- *Major events and milestones of our Company*" on page 150 and "*Our Business – Quality control and quality assurance*" on page 144.

Our Company has received the following key awards:

Calendar Year	Key Awards
2007	Winner of the CHEMEXCIL Award for outstanding export performance in Inorganic & Organic Chemicals Panel, Small Scale Sector
2016	Winner of the CHEMEXCIL Award for Chemicals Panel, Small Scale Sector

Calendar Year	Key Awards
2017	Winner of the CHEMEXCIL Award for Basic Inorganic and Organic Chemicals including Agro Chemical Panel, Small Scale Sector

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries, associates or joint ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, associates or joint ventures.

Time/cost overrun

There have been no time/cost overruns in relation to implementation of our projects since incorporation.

Significant financial and/or strategic partners

Our Company does not have any significant financial and/or strategic partners as of the date of filing this Draft Red Herring Prospectus.

Launch of key products or services, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets to the extent applicable, see "*Our Business*" on page 135.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Details of material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not undertaken any material acquisition or divestment of any business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the 10 years preceding the date of this Draft Red Herring Prospectus.

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder's agreements among our Shareholders *vis-a-vis* our Company, which our Company is aware of.

Other agreements

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business of our Company.

Guarantees given by the promoters participating in the Offer for Sale

None of our Promoters, participating in the Offer for Sale, have issued any guarantee in connection with the financing facilities availed by our Company.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Red Herring Prospectus, we have eight Directors on our Board, of whom four are Independent Directors including one woman independent director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Prakash Mehta *Designation*: Chairman and Independent Director *Date of birth*: February 12, 1942 *Address*: 123-A, Maker Tower, Cuffe Parade, Colaba, Mumbai-400 005 *Occupation*: Advocate, Solicitor and Notary *Current* term: For a period of five years with effect from June 19, 2021, not liable to retire by rotation *Period of directorship*: Since June 19, 2021 *DIN*: 00001366	79	*Indian companies* 1. Advani Hotels and Resorts (India) Limited; 2. Bharat Bijlee Limited; 3. Bombay Incorporated Law Society; 4. Hikal Limited; 5. India Safety Vaults Private Limited; 6. Mukand Engineers Limited; 7. Mukand Limited; 8. Mukand Sumi Special Steel Limited; 9. Oriental Aromatics Limited; and 10. Pegasus Assets Reconstruction Private Limited *Foreign companies* Nil
Rushabh Vora *Designation*: Managing Director *Date of birth*: May 23, 1973 *Address*: C-1901, 19th Floor, Indiabulls Blu, Plot No.- 131,132, Worli, Ganpatrao Kadam Marg, Delisle Road, Mumbai – 400 013 *Occupation*: Business *Current term*: For a period of five years with effect from April 19, 2017 to April 18, 2022, not liable to retire by rotation* *Period of directorship*: Since April 1, 1995 *DIN*: 00382198	48	*Indian companies* 1. Exult IT Services Private Limited *Foreign companies* Nil
Rajinder Harkara *Designation*: Whole-time Director *Date of birth*: September 27, 1960 *Address*: A-801, Maruti Paradise, Sector 15, CBD Belapur, Navi Mumbai, Konkan Bhavan, Thane- 400 614 *Occupation*: Service	60	*Indian companies* Nil *Foreign companies* Nil

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Current term: For a period of five years with effect from December 11, 2020 to December 10, 2025, liable to retire by rotation *Period of directorship*: Since December 11, 2020 *DIN*: 08987180		
Priya Vora *Designation*: Whole-time Director *Date of birth*: November 26, 1975 *Address*: C-1901, 19th Floor, Indiabulls Blu, Plot No.- 131,132, Worli, Ganpatrao Kadam Marg, Delisle Road, Mumbai – 400 013 *Occupation*: Business *Current* term: For a period of five years, with effect from March 27, 2021 till March 26, 2026, liable to retire by rotation *Period of directorship*: Since March 27, 2021 *DIN*: 00172440	45	*Indian companies* 1. Altair Retail Private Limited; 2. Abhinga Holdings Private Limited; 3. Abirup Investments Private Limited; 4. Aegis Investments Private Limited; 5. Ajax Investments Private Limited; 6. Ajanbahu Investments Private Limited 7. Aniket Holdings Private Limited; 8. Anvaya Investments Private Limited; and 9. Jeet Holdings Private Limited. *Foreign companies* Nil
Mitul Vora *Designation*: Non-Executive Director *Date of birth*: October 26, 1970 *Address*: Flat no. 6A, 2nd Floor, Darbhanga Mansion, M. L. Dahanukar Road, 12 Carmichael Road, Mumbai- 400 026 *Occupation*: Business *Current* term: Liable to retire by rotation *Period of directorship*: Since April 1, 1992 *DIN*: 00381979	50	*Indian companies* 1. BSIDEU Services Private Limited; 2. Exult IT Services Private Limited; 3. GraphiteGTC Private Limited; 4. HealthIndia Allied Services Private Limited; and 5. HealthIndia Insurance TPA Services Private Limited. *Foreign companies* 1. Ellidore Events Limited; and 2. Graphite GTC LLC.
Chetan Desai *Designation*: Independent Director *Date of birth*: January 14, 1951 *Address*: 901, Matoshree Kunj, Tanaji Malusare Marg, Vile Parle (West), Mumbai – 400 056 *Occupation*: Practicing chartered accountant *Current* term: For a period of five years with effect from June 19, 2021, not liable to retire by rotation *Period of directorship*: Since June 19, 2021 *DIN*: 03595319	70	*Indian companies* 1. Angel Xpress Foundation 2. Brookfield India Infrastructure Manager Private Limited; 3. Crystal Crop Protection Limited; 4. Delta Corp Limited; 5. Daman Hospitality Private Limited; 6. Krsnaa Diagnostics Limited; 7. OhMy Loan Private Limited; 8. OhMy Technologies Private Limited; 9. Reliance Financial Limited; 10. Reliance Securities Limited; 11. Sula Vineyards Private Limited; and 12. UTI Retirement Solutions Limited *Foreign companies* Nil

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Aditya Kapadia *Designation*: Independent Director *Date of birth*: October 14, 1973 *Address*: 06, Haveli, 19, L.D Ruparel Marg, Mumbai - 400 006 *Occupation*: Business *Current* term: For a period of five years with effect from June 19, 2021, not liable to retire by rotation *Period of directorship*: Since June 19, 2021 *DIN*: 00087520	47	*Indian companies* 1. Dryden Private Limited; 2. Hame Agencies Private Limited 3. Harshadray Investment Private Limited; 4. Harshadray Private Limited; 5. Nimco Rata Iron Ore and Minerals Exports Private Limited; 6. Protos Engineering Company Private Limited; 7. Sujata Resources Private Limited; 8. TUV India Private Limited; 9. Virman Real Estate Private Limited; and 10. Virneesh Properties Developers Private Limited *Foreign companies* Nil
Girija Balakrishnan *Designation*: Independent Director *Date of birth*: March 30, 1969 *Address*: Shabari Niwas, Row House D-4, Highland Park, Mulund Colony Road, Mulund (West), Mumbai – 400 082 *Occupation*: Advocate *Current* term: For a period of five years with effect from June 19, 2021, not liable to retire by rotation *Period of directorship*: Since June 19, 2021 *DIN*: 06841071	52	*Indian companies* 1. Inox Leisure Limited; and 2. Lingamaneni Land Marks Developers Private Limited *Foreign companies* Nil

**The Shareholders at their extraordinary general meeting held on June 24, 2021 have approved the appointment of Rushabh Vora for a further period of five years with effect from April 19, 2022 up till April 18, 2027.*

Brief profiles of our Directors

Prakash Mehta is the Chairman and Independent Director of our Company. He was admitted as an advocate with bar council of Maharashtra and Goa in 1964 and as a solicitor in 1966. He is the managing partner at Malvi Ranchoddas & Co., advocates, solicitors and notary, a law firm in Mumbai. He has over 57 years of experience in corporate and commercial legal matters. He is also a member of the managing committee of the Bombay Incorporated Law Society.

Rushabh Vora is the Managing Director of our Company. He holds a bachelor's degree of science in engineering from the University of Michigan. He has over 25 years of experience in the field of chemical engineering and has been associated with the Company since the beginning of his career in 1995. He is currently responsible for the overall management of the Company.

Rajinder Harkara is the Whole-time Director of our Company. He holds a bachelor's degree in technology from Nagpur University. He has been associated with our Company since December 11, 2020 and is currently responsible for operational management of the Company. He has over 24 years of experience in the field of operations. Prior to joining our Company, he was associated with Hikal Limited as general manager - operation.

Priya Vora is the Whole-time Director of our Company. She holds a bachelor's degree in economics from St. Xaviers College Mumbai and is currently responsible for issues such as strategy, performance, risk management, resources, key appointments and standard of conduct. She is associated with various companies as a director such as Altair Retail Private Limited, Abhinga Holdings Private Limited and Abirup Investments Private Limited.

Mitul Vora is the Non-Executive Director of our Company. He holds a bachelor's degree of science in business studies from the University of Buckingham. He has been associated with our Company since April 1, 1992. He has over 29 years of experience. He has also served as a director across various companies, including those such as Ellidore Events Limited, Graphite GTC, Bhaichand Amoluk Consultancy Services LLP, Willis BA India Private Limited and Healthindia Insurance TPA Services Private Limited.

Chetan Desai is an Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He has over 42 years of experience as a chartered accountant and was associated with M/s. Haribhakti & Co. LLP., as managing partner.

Aditya Kapadia is an Independent Director of our Company. He holds a bachelor's degree in commerce from H.R College of Commerce and Economics, University of Bombay. He also holds a diploma in financial services management from the University of Bombay and a diploma in business administration from Indo-German Chamber of Commerce. He has over 20 years of experience and is associated with Protos Engineering Co. Private Limited as managing director where he has been instrumental in guiding various departments in relation to new business opportunities and new technologies to be focused upon to ensure consistent growth.

Girija Balakrishnan is an Independent Director of our Company. She holds a bachelor's degree in law from National Law School India University, Bengaluru. She is registered as an advocate with the bar council of Karnataka since July 9, 1993. She is a partner in Malvi Ranchoddas & Company.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Except Rushabh Vora and Mitul Vora who are brothers and Rushabh Vora and Priya Vora who are spouses, none of our other Directors are related to each another.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

None of our Directors have been declared a Fugitive Economic Offender.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed or selected as a director.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors:

1. Rushabh Vora

Our Board at their meeting held on March 31, 2017 approved the re-appointment of Rushabh Vora as Managing Director for a period of five years. The Shareholders at their extraordinary general meeting held on June 24, 2021 have approved the appointment of Rushabh Vora for a further period of five years with effect from April 19, 2022 up till April 18, 2027. The following table sets forth the terms of appointment of Rushabh Vora as approved by our Shareholders at their meeting held on June 24, 2021, as set forth in the service agreement dated March 31, 2017.

Sr. No.	Category	Remuneration
1.	Annual remuneration	Up to ₹30.00 million per annum
2.	Perquisites	1. **Provident fund**: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961. 2. **Gratuity**: As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service. 3. **Children's education allowance**: In case of children studying in or outside India, an allowance limited to a maximum of ₹12,000 per month per child or actual expenses incurred, whichever is less such allowance is admissible up to a maximum of two children. 4. **Holiday passage for children studying outside India/family staying abroad**: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person. 5. **Leave travel concession**: Return passage for self and family in accordance with the rules specified by the Company to any destination in India. 6. **Leave encashment**: Encashment of leave at the end of the tenure. 7. **Rent free accommodation**: Free furnished accommodation with gas, electricity, water, drivers etc.

2. Rajinder Harkara

Our Board at their meeting held on December 11, 2020 approved the appointment of Rajinder Harkara as Executive Director to hold office till the conclusion of next annual general meeting. Our Shareholders have approved the appointment for a period five years at their extra-ordinary general meeting held on March 30, 2021. The following table sets forth the terms of appointment of Rajinder Harkara as approved by our Shareholders at their meeting held on June 24, 2021, as set forth in the service agreement dated December 11, 2020.

Sr. No.	Category	Remuneration
1.	Annual remuneration	Up to ₹30.00 million per annum
2.	Perquisites	1. **Provident fund**: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961. 2. **Gratuity**: As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service. 3. **Children's education allowance**: In case of children studying in or outside India, an allowance limited to a maximum of ₹12,000 per month per child or actual expenses incurred, whichever is less such allowance is admissible up to a maximum of two children. 4. **Holiday passage for children studying outside India/family staying abroad**: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person. 5. **Leave travel concession**: Return passage for self and family in accordance with the rules specified by the Company to any destination in India. 6. **Leave encashment**: Encashment of leave at the end of the tenure.

3. Priya Vora

Our Board at their meeting held on March 27, 2021 approved the appointment of Priya Vora as Executive Director to hold office till the conclusion of next annual general meeting. Our Shareholders have approved the appointment for a period five years at their extra-ordinary general meeting held on March 30, 2021. The following table sets forth the terms of appointment of Priya Vora as approved by our Shareholders at their meeting held on June 24, 2021, as set forth in the service agreement dated March 27, 2021.

Sr. No.	Category	Remuneration
1.	Annual remuneration	Up to ₹30.00 million per annum
2.	Perquisites	1. **Provident fund**: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961. 2. **Gratuity**: As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service. 3. **Children's education allowance**: In case of children studying in or outside India, an allowance limited to a maximum of ₹12,000 per month per child or actual expenses incurred, whichever is less such allowance is admissible up to a maximum of two children. 4. **Holiday passage for children studying outside India/family staying abroad**: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person. 5. **Leave travel concession**: Return passage for self and family in accordance with the rules specified by the Company to any destination in India. 6. **Leave encashment**: Encashment of leave at the end of the tenure. 7. **Rent free accommodation**: Free furnished accommodation with gas, electricity, water, drivers etc.

Terms of appointment of our Directors

Pursuant to the Board resolution dated June 19, 2021 each Non-Executive Director and Independent Director is entitled to receive sitting fees of ₹0.05 million per meeting for attending meetings of the Board and audit committee, and ₹0.01 million for attending meetings of all other committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

Payments or benefits to Directors

Except as set forth above in "- *Terms of appointment of our Executive Directors*", our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2021, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2021 is as follows:

1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2021 is as set out below:

Name of Director	Designation	Total remuneration (in ₹ million)
Rushabh Vora	Managing Director	17.35
Rajinder Harkara	Executive Director	3.53
Jayant Vora*	Former chairman	Nil
Priya Vora	Executive Director	3.50
Purusottam Agrawal**	Former whole-time director	3.92

**ceased to be a director with effect from June 21, 2021*
***ceased to be a director with effect from March 1, 2021*

2. Non-Executive Directors

No remuneration or sitting fees and commission was paid to our Non-Executive Director during Fiscal 2021.

3. Independent Directors

Our Independent Directors have been appointed pursuant to a resolution of our Board on June 19, 2021 Accordingly, no remuneration or sitting fees has been paid to any of our Non-Executive Independent Directors in Fiscal 2021.

Remuneration paid by our Subsidiaries

As on date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Shareholding of Directors in our Company

The table below sets forth details of Equity Shares held by the Directors, as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Rushabh Vora	7,859,000
2.	Mitul Vora	7,413,850
3.	Priya Vora	1

Our Articles of Association do not require our Directors to hold qualification shares.

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their meeting held on June 24, 2021, our Board has been authorized to borrow an aggregate outstanding amount not exceeding ₹2,800 million on such terms and conditions as our Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of our Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of our Company and its free reserves.

Bonus or profit-sharing plan for our Directors

Our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, and commission as approved by our Board.

Our Executive Directors may be deemed to be interested to the extent of the remuneration and reimbursements payable to each of them by our Company as Directors of our Company and any commission payable to them.

Rushabh Vora, Priya Vora and Mitul Vora may also be interested to the extent of their shareholding in our Company, if any, and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

Interest of Directors in the promotion or formation of our Company

Other than Rushabh Vora and Mitul Vora, none of our Directors have any interest in the promotion or formation of our Company.

Other than as disclosed below, our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Our Company has entered into a leave and license agreement with Rushabh Vora and Priya Vora for a period of three years, commencing from December 1, 2020 up to November 30, 2023, for licensing a 3,698 square feet residential accommodation in Indiabulls Blu for a monthly rent of ₹ 0.70 million, which has been provided to Rushabh Vora as rent free accommodation, as part of their perquisites as Managing Director. For further details, please see "*Restated Financial Statements - Related Party Transactions*" on page 237.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

Changes to our Board in the last three years

Name	Date of appointment/ cessation	Designation (at the time of appointment/ cessation)	Reason
Jayant Vora	June 21, 2021	Chairman	Resignation due to age and personal reasons
Girija Balakrishnan	June 19, 2021	Independent Director	Appointment
Prakash Mehta	June 19, 2021	Independent Director	Appointment
Aditya Kapadia	June 19, 2021	Independent Director	Appointment
Chetan Desai	June 19, 2021	Independent Director	Appointment
Priya Vora	March 27, 2021	Executive Director	Appointment
Priya Vora	March 25, 2021	Non-Executive Director	Resignation due to certain unavoidable circumstances
Purusottam Agrawal	March 1, 2021	Whole-time Director	Resignation due to personal and unavoidable circumstances
Rajinder Harkara	December 11, 2020	Executive Director	Appointment
Priya Vora	April 29, 2019	Non-Executive Director	Appointment

Note: This does not include changes such as regularisations or change in designations.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof as applicable to the top 1,000 listed companies (determined basis the market capitalisation). The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

As on the date of filing this Draft Red Herring Prospectus, we have eight Directors on our Board, of whom four are Independent Directors including one woman independent director.

Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. ***Audit Committee***

The Audit committee was constituted by a resolution of our Board dated June 19, 2021. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Chetan Desai	Chairperson	Independent Director
Aditya Kapadia	Member	Independent Director
Rushabh Vora	Member	Managing Director

The Company Secretary of our Company shall serve 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 read with Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

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

(a) To investigate any activity within its terms of reference;
(b) To seek information from any employee of the Company;
(c) To obtain outside legal or other professional advice;
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  (iv) Significant adjustments made in the financial statements arising out of audit findings;
  (v) Compliance with listing and other legal requirements relating to financial statements;
  (vi) Disclosure of any related party transactions; and
  (vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(k) Scrutiny of inter-corporate loans and investments;

(l) Valuation of undertakings or assets of the company, wherever it is necessary;

(m) Evaluation of internal financial controls and risk management systems;

(n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(p) Discussion with internal auditors of any significant findings and follow up there on;

(q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(u) Reviewing the functioning of the whistle blower mechanism;

(v) Approval of the appointment of the Chief Financial Officer of the Company ("**CFO**") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(w) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;

(x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(aa) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

(bb) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

(cc) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
iii. review the financial statements, in particular, the investments made by any unlisted subsidiary.

(iv) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

(v) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The Audit Committee is required to meet at least four times in a year, with not more than 120 days elapsing between two meetings.

2. ***Nomination and Remuneration Committee ("NR Committee")***

The NR Committee was last constituted by a resolution of our Board dated June 19, 2021. The current constitution of the NR Committee is as follows:

Name of Director	Position in the Committee	Designation
Aditya Kapadia	Chairperson	Independent Director
Prakash Mehta	Member	Independent Director
Mitul Vora	Member	Non-Executive Director

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) To be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;

(b) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(c) Formulation of criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on Board diversity;

(e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) Analysing, monitoring and reviewing various human resource and compensation matters;

(g) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(h) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);

(i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(j) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(k) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws as amended from time to time, including:

(i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
(ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;

(n) To administer the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:

(i) Determining the eligibility of employees to participate under the ESOP Scheme;
(ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
(iii) Date of grant;
(iv) Determining the exercise price of the option under the ESOP Scheme;
(v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

(vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
(vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
(viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
(ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
(x) The grant, vest and exercise of option in case of employees who are on long leave;
(xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
(xii) The procedure for cashless exercise of options;
(xiii) Forfeiture/ cancellation of options granted;
(xiv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
- for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
- the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(o) To construe and interpret the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(p) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority;

(q) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations; and

(r) To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The NR Committee shall meet at least once a year.

3. ***Corporate Social Responsibility Committee ("CSR Committee")***

The CSR Committee was last reconstituted by a resolution of our Board dated June 19, 2021. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Aditya Kapadia	Chairperson	Independent Director
Rushabh Vora	Member	Managing Director
Mitul Vora	Member	Non-Executive Director

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

(a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act."

4. ***Stakeholders Relationship Committee ("SR Committee")***

The SR Committee was constituted by a resolution of our Board dated June 19, 2021. The current constitution of the SR Committee is as follows:

Name of Director	**Position in the Committee**	**Designation**
Aditya Kapadia	Chairperson	Independent Director
Rushabh Vora	Member	Managing Director
Mitul Vora	Member	Non-Executive Director

The scope and function of the SR committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services; and

(g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Stakeholders Relationship Committee shall meet at least once a year.

5. ***Risk Management Committee ("RM Committee")***

The RM Committee was constituted by a resolution of our Board dated June 19, 2021. The current constitution of the RM Committee is as follows:

Name of Director	Position in the Committee	Designation
Rushabh Vora	Chairperson	Managing Director
Aditya Kapadia	Member	Independent Director
Mitul Vora	Member	Non-Executive Director

The scope and function of the RM committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) To formulate a detailed risk management policy which shall include:

i. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

ii. measures for risk mitigation including systems and processes for internal control of identified risks; and

iii. Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity and recommend for any amendment or modification as necessary;

(e) To keep the board of directors informed about the nature and content of its discussions recommendations and actions to be taken;

(f) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

(g) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

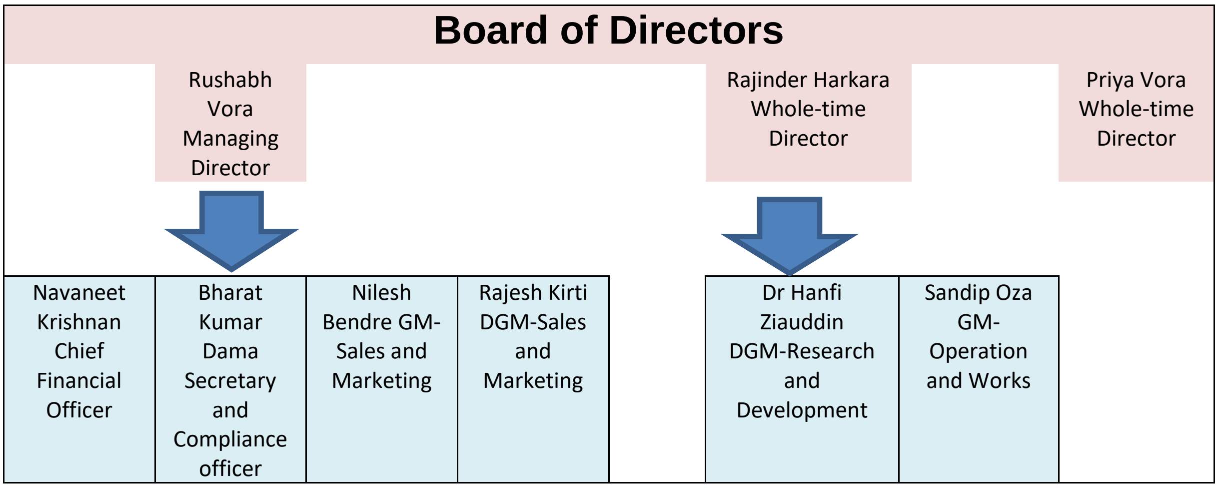
(h) Review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any;

(i) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and

(j) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

The RM Committee shall meet at least twice in a year provided that the meetings of the Risk Management Committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings, unless otherwise permitted under applicable law.

Management organization chart



Key Managerial Personnel

In addition to Rushabh Vora, our Managing Director, Rajinder Harkara and Priya Vora, our Whole-time Directors, whose details have been provided in "*Our Management - Brief profiles of our Directors*" on page 155, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Navaneet Krishnan, is the Chief Financial Officer of our Company. He joined our Company on November 2, 2020 and is currently responsible for financial management and accounts. He holds a bachelor's degree in commerce from the University of Bombay and a diploma in financial management from Narsee Monjee Institute of Management Studies. He has 10 years of experience in the field of finance and accounts. Prior to joining our Company, he was associated with S&J Granulate Solutions (P) Limited as Head – Accounts & Finance. In Fiscal 2021, he received ₹0.92 million from our Company.

Bharatkumar Dama, is the Company Secretary and Compliance Officer of our Company. He joined our Company on March 23, 2021. He holds a bachelor's degree in Human Resource Management from the Maharaja Sayajirao University of Baroda and is an Associate of the Institute of Company Secretaries of India. He has over 6 years of experience in handling secretarial and compliance functions of companies. Prior to joining our Company, he was associated with Thyrocare Technologies Limited as a Company Secretary. In Fiscal 2021, he received ₹0.03 million from our Company.

Nilesh Bendre, is the Senior General Manager- Sales and Marketing of our Company. He joined our Company on March 1, 2021 and is currently responsible for sale and marketing in Europe region. He holds a master's degree of science from Ramnarain Ruia College. He holds a post-graduate diploma in marketing, a management diploma in marketing management and an advanced diploma in business administration from Welingkar Institute of Management Development and Research. He is a SUN certified programmer for the Java 2 platform. Prior to joining our Company, he was associated with Privi Speciality Chemicals Limited. In Fiscal 2021, he received ₹0.31 million from our Company.

Dr Hanfi Ziauddin, is the Deputy General Manager – Research and Development of our Company. He joined our Company on February 2, 2015 and is currently responsible for our research and development initiatives. He holds a bachelor's degree and a master's degree in science from Dr. Babasaheb Ambedkar Marathwada University. He also holds a doctor of philosophy degree from Swami Ramanand Teerth Marathwada University, Nanded. He has over 24 years of experience in the field of research and development. Prior to joining our Company, he was associated with Wockhardt Research Centre as research scientist, Oman Chemicals & Pharmaceuticals L.L.C as manager – research and development and Symbio Generrics India Private Limited as assistant general manager-research and development. In Fiscal 2021, he received ₹1.88 million from our Company.

Sandip Oza, is the General Manager-Works of our Company. He holds a bachelor's degree in science from University of Poona, and master's degree in science from Sikkim Manipal University of Health, Medical and Technological Sciences. He has been associated with our Company since January 7, 2021 and is currently responsible for overseeing production and operations. Prior to joining our Company, he was associated with Megafine Pharma (P) Limited as general manager. In Fiscal 2021, he received ₹0.59 million from our Company.

Rajesh Kirti is the Deputy General Manager - Sales and Marketing (Speciality Chemicals-Domestic/International) of our Company. He joined our Company on August 12, 2019. He has over 9 years of experience in the field of marketing. Prior to joining our Company, he was associated with IFFO (Malaysia) Sdn Bhd as the marketing manager, Gwalior Chemical Industries Limited as the general manager – business development and Narmada Gelatines Limited as the export manager. In Fiscal 2021, he received ₹2.12 million from our Company.

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

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel are entitled to receive any benefits on their retirement or on termination of their employment with our Company.

Family relationships of Directors with Key Managerial Personnel

Other than Rushabh Vora and Priya Vora who are spouses and Mitul Vora and Rushabh Vora who are brothers, none of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel (other than our Directors) hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company pursuant to which our Key Managerial Personnel are entitled to benefits upon termination / retirement of employment. Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Managerial Personnel, is entitled to any benefit upon termination of employment.

Contingent and deferred compensation payable to Key Managerial Personnel

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

Bonus or profit-sharing plan of the Key Managerial Personnel

Except for the payment of a bonus per the provisions of the Bonus Act, 1965, our Company does not have any bonus or profit sharing plan.

Interest of Key Managerial Personnel

For details of the interest of our Executive Directors in our Company, see "*Our Management - Interest of Directors*" on page 159.

Our Key Managerial Personnel (other than our Directors) are interested in our Company only to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Changes in the Key Managerial Personnel in last three years:

For details of the changes in our Executive Directors, see "*Our Management - Changes to our Board in the last three years"* on page 160. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Draft Red Herring Prospectus is as mentioned below:

Name	Designation	Date of Change	Reason
Vamsi Chakravarthi	General Manager – Sales and Business Development	April 1, 2021	Resignation due to personal obligations and medical condition
Bharatkumar Dama	Company Secretary and Compliance Officer	March 23, 2021	Appointment
Nilesh Bendre	General Manager - Sales and Marketing	March 1, 2021	Appointment
Subhash Dhamak	Vice President – Operations	December 15, 2020	Resignation
Sandip Oza	General Manager - Works	January 7, 2021	Appointment
Saurabh Shah	General Manager - Sales and Marketing	November 13, 2020	Resignation
Navneet Krishnan	Chief Financial Officer	November 2, 2020	Appointment
Mukund Bhawke	Senior General Manager - Works	October 24, 2020	Resignation due to personal reasons and unavoidable circumstances
Reji Easow	General Manager - Sales and Marketing	November 18, 2020	Resignation
Subhash Dhamak	Vice President – Operations	August 24, 2020	Appointment
Reji Easow	General Manager - Sales and Marketing	July 31, 2020	Appointment
Ramesh Damani	Chief Financial Officer	July 10, 2020	Resignation
Saurabh Shah	General Manager - Sales and Marketing	June 1, 2020	Appointment
Ramesh Damani	Chief Financial Officer	March 18, 2020	Appointment
Rohit Mahakal	Chief Financial Officer	February 17, 2020	Resignation due to personal reasons
Rajesh Kirti	Deputy General Manager - Sales and Marketing (Speciality Chemicals-Domestic/International)	August 12, 2019	Appointment
Mukund Bhawke	Senior - General Manager - Works	July 1, 2019	Appointment
Ganapati Siddheshwar	General Manager - Works	June 19, 2019	Resignation due to personal reasons and unavoidable circumstances
Rohit Mahakal	Chief Financial Officer	December 26, 2018	Appointment
Kalish Mishra	Chief Financial Officer	October 6, 2018	Resignation due to personal reasons
Ganapati Siddheshwar	General Manager - Works	September 11, 2018	Appointment

The attrition of the Key Managerial Personnel of our Company is high compared to the industry. For further details see, "*Risk Factors - Our performance depends to a large extent on the efforts and abilities of our senior management and Key Managerial Personnel. A high attrition rate or the loss of or diminution in the services of our senior management or Key Managerial Personnel could have a material adverse effect on our business, financial condition and results of operations.*" on page 39.

Payment or Benefit to officers of our Company (non-salary related)

No non –salary amount or benefit has been paid or given within the two preceding years from the date of this Draft Red Herring Prospectus or intended to be paid or given to any officer of the Company, including our directors and Key Managerial Personnel and consideration for payment of giving of the benefit.

Employee Stock Option

As on date of this Draft Red Herring Prospectus, our Company has not instituted an employee stock option plan.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

The Promoters of our Company are:

1. Jayant Vora;
2. Mitul Vora;
3. Rushabh Vora; and
4. Bhaichand Amoluk Consultancy Services LLP ("**BACS LLP**").

As on the date of this Draft Red Herring Prospectus, Jayant Vora holds 1,07,63,346 Equity Shares, Mitul Vora holds 74,13,850 Equity Shares, Rushabh Vora holds 78,59,000 Equity Shares and Bhaichand Amoluk Consultancy Services LLP holds 2,42,93,300 Equity Shares, which aggregates to 5,03,29,596 Equity Shares, representing approximately 100% (subject to the impact of rounding off to two decimal places) of the pre-Offer issued, subscribed and paid-up equity share capital of our Company. For further details, see "*Capital Structure – Build-up of the Promoters' shareholding in our Company*" on page 74.

Details of our Promoters are as follows:

Individual Promoters:

1. Jayant Vora

Jayant Vora, aged 79 years, is one of the Promoters of our Company.

Date of Birth: June 17, 1942

Address: 71-A, Paradise Apartment, Nepean Sea Road, Malabar Hill, Mumbai - 400 006

Permanent Account Number: ACPPV5054J

Aadhar Card Number: 3108 2949 2439

Driving License: Jayant Vora does not hold a valid driving license.

Jayant Vora is one of the Promoters of our Company. He holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, Mumbai. He has experience in the insurance industry and is on the board of companies such as Exult IT Services Private Limited and Mideri Holdings Limited. He is also a recipient of the Arjuna Award as the sportsman of the year in table tennis in 1961.

2. Mitul Vora

Mitul Vora, aged 50 years, is one of the Promoters and a Non-Executive Director of our Company.

Date of Birth: October 26, 1970

Address: Flat No. 6A, 2nd Floor, Darbhanga Mansions, M.L. Dahanukar Road, 12 Carmichael Road, Mumbai - 400 026

Permanent Account Number: AAJPV6461B

Aadhar Card Number: 9377 2122 0215

Driving License: MH01 20080006513

For the complete profile of Mitul Vora, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 153.

3. Rushabh Vora

Rushabh Vora, aged 48 years, is one of the Promoters and the Managing Director of our Company.

Date of Birth: May 23, 1973

Address: C-1901, 19th Floor, Indiabulls Blu, Plot No.- 131,132, Worli, Ganpatrao Kadam Marg, Delisle Road, Mumbai – 400 013

Permanent Account Number: AAJPV6460A

Aadhar Card Number: 9816 0262 0585

Driving License: MH01 19990022966

For the complete profile of Rushabh Vora, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management – Board of Directors*" on page 153.

Our Company confirms that the permanent account numbers, bank account numbers and passport numbers of Jayant Vora, Mitul Vora and Rushabh Vora will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Corporate Promoter:

Bhaichand Amoluk Consultancy Services LLP ("BACS LLP")

Information and History

BACS LLP is a limited liability partnership firm which was incorporated as a private limited company on October 15, 1977 under the Companies Act, 1956 and was subsequently converted into a limited liability partnership on April 22, 2014 under the Limited Liability Partnership Act, 2008 with its registered office being at Commercial Union House, 9, Wallace Street, Fort, Mumbai- 400001. The LLP identification number of BACS LLP is AAC-2662.

BACS LPP is primarily engaged in the business of shares and stock brokers, sub-brokers and to buy, sell and deal in all kinds of shares, stocks, securities, bonds, debentures, units and such other instruments of all types to earn brokerage, commission, and other form of income and become member of one or more recognized stock exchanges, provide advisory and consultancy services in investment, financial, capital and money markets and make investments in all kinds of shares, stocks, securities, bonds, debentures, units and such other instruments.

The following table sets forth details of the partners of BACS LLP as on the date of this Draft Red Herring Prospectus:

Sr. No	Name of the Partner	Designation	Shareholding (%)
1.	Jayant Vora	Partner	46.66
2.	Mitul Vora	Designated Partner	26.67
3.	Rushabh Vora	Designated Partner	26.67

Our Company confirms that the permanent account number, LLP identification number, address of the RoC (where it is registered) and bank account number of BACS LLP will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Changes in management and control of BACS LLP

There has been no change in the control or management of BACS LLP during the last three years preceding the date of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in the section "*Our Management – Other Directorships*" on page 153, and as provided below, our Promoters are not involved in any other ventures.

Jayant Vora is involved as a director on the board of (i) Exult IT Services Private Limited; and (ii) Mideri Holdings Limited.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. For further details, see "*Capital Structure - Build-up of the Promoters' shareholding in our Company*" on page 74. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For further details, see "*Other Financial Statements - Related Party Transactions*" on page 255.

Further, Mitul Vora and Rushabh Vora, the Promoters of our Company are also interested in our Company as a Non-Executive Director and the Managing Director, respectively and may be deemed to be interested to the extent of their terms of appointment as such, including in relation to benefits, remuneration, reimbursement of expenses, or sitting fees payable to them, as applicable. For further details, see "*Our Management*" on page 153.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested as a member of a firm or company and, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

Other than the as disclosed in "*Our Management – Interest of Directors*" on page 159, none of our Promoters have any interest in any property acquired by our Company in the preceding three years from the date of this

Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

Payment or Benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in "*Restated Financial Statements – Note 35 - Related Party Disclosures*" on page 237, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years:

Except as stated below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Draft Red Herring Prospectus.

Name of the Promoter	Name of the company	Date of disassociation	Reason for disassociation
Jayant Vora	Vora Oxides Private Limited	October 20, 2018	Vora Oxides Private Limited did not conduct any business. As a result, Jayant Vora sold his shareholding in Vora Oxides Private Limited and resigned from the board on October 20, 2018

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our individual Promoters or whose shareholding is aggregated under the heading "shareholding of the promoter group"), other than our Promoters, are as follows:

Name of Promoter	Name of Relative	Relationship
Jayant Vora	Harshad Vora	Brother
	Rama Doshi	Sister
	Sumati Shah	Sister
	Poornima Mehta	Sister
	Devna Jayant Vora	Daughter
Mitul Vora	Shruti Vora	Spouse
	Devna Jayant Vora	Sister
	Varun Vora	Son
	Aryan Vora	Son
	Nandini Nopany	Spouse's mother
	Chandrashekhar Nopany	Spouse's brother
Rushabh Vora	Priya Vora	Spouse
	Devna Jayant Vora	Sister
	Rohan Vora	Son
	Aanya Vora	Daughter
	Anjana Lalbhai	Spouse's mother
	Prarthna Manabhai Lalbhai	Spouse's sister

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

Sr. No.	Entities forming a part of the Promoter Group
1.	Abhinga Holdings Private Limited
2.	Abirup Investments Private Limited
3.	Aegis Investments Private Limited
4.	Aniket Holdings Private Limited
5.	Anvaya Investments Private Limited
6.	Bsideu Services Private Limited
7.	Bhaichand Amoluk & Co.
8.	Chhotalal Khambatta & Co.
9.	Exult IT Services Private Limited
10.	Graphitegtc Private Limited
11.	HealthIndia Insurance TPA Services Private Limited
12.	HealthIndia Allied Services Private limited
13.	Jeet Holdings Private Limited
14.	Manbhawani Investment Limited
15.	Mideri Holdings Limited
16.	Pollock Traders Private Limited

Our Company has filed an application dated July 14, 2021 with SEBI under Regulation 300(1)(c) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing, Anjali Y. Nagpal, sister-in-law (sister of spouse) of Jayant Vora, Dr. Patanjali S. Nanda, brother-in-law (brother of spouse) of Jayant Vora and body corporates/entities and HUFs in which the aforementioned individuals hold 20% or more of the equity share capital, as members of Promoter Group, and from disclosing information and confirmations regarding and from such natural person(s) and entities, as required under the SEBI ICDR Regulations. Accordingly, the above list of members of our Promoter Group does not include such natural person(s) and entities.

GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term *"group companies"*, includes (i) such companies (other than promoter(s) and subsidiary(ies)) of an issuer company, with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Financial Statements, as covered under the relevant accounting standard (i.e., Ind AS 24) have been considered for purposes of identification of our Group Company in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company has been considered material and has been considered for identification as a group company in this Draft Red Herring Prospectus if: (i) such company is a member of the Promoter Group; and (ii) has entered into one or more transactions with the Company during the last completed full financial year and the most recent period (if applicable) of the Restated Financial Statements, which, individually or cumulatively in value, exceeds 10% of the total revenue of the Company as per the Restated Financial Statements of the last completed full financial year and the relevant stub period, as applicable.

Based on the above criteria laid out by the SEBI ICDR Regulations and our Materiality Policy, HealthIndia Insurance TPA Services Private Limited has been identified as a Group Company of our Company as on the date of this Draft Red Herring Prospectus.

Details of our Group Company

HealthIndia Insurance TPA Services Private Limited ("HealthIndia Insurance")

Corporate Information

HealthIndia Insurance was incorporated as Bhaichand Amoluk Insurance Services Private Limited as a private limited company under the Companies Act, 1956, on February 19, 1997 with the Registrar of Companies, Mumbai at Maharashtra. The name of the company was changed from Bhaichand Amoluk Insurance Services Private Limited to Health India TPA Services Private Limited on October 16, 2007 and to 1 Healthindia Insurance TPA Services Private Limited on November 21, 2016. Thereafter, the name of the company was changed from 1 Healthindia Insurance TPA Services Private Limited to Healthindia Insurance TPA Services Private Limited on January 6, 2017.

Nature of Activities

HealthIndia Insurance is presently engaged in the business of providing health insurance claim services under various health insurance policies issued by several insurance companies and also conduct medical tests on behalf of the insurance companies for their clients who are taking insurance policies.

Financial Information

The financial information derived from the audited financial statements of HealthIndia Insurance for the last three financial years (i.e., for the Fiscals 2020, 2019 and 2018) are set forth below:

(in ₹ million, except per share data)

Particulars	For the Fiscals		
	2020	**2019**	**2018**
Equity capital	41.68	41.68	41.68
Reserves and surplus (excluding revaluation reserves)	81.80	70.00	37.09
Revenue from operations and other income	1,266.35	1,244.60	860.12
Profit/(loss) after tax	11.81	32.91	(88.00)
Earnings / (Loss) per share (₹) - Basic	2.83	7.90	(21.11)
Earnings per share (₹) - Diluted	2.83	7.90	(21.11)
Net asset value	123.48	111.68	78.77

Except as disclosed below, there are no significant notes by the auditors of HealthIndia Insurance in their reports in relation to the above mentioned financial statements:

(a) *<u>"Financial Year ended March 31, 2018</u>*

Emphasis of Matter

a. *Attention is invited to Note No.27 of the financial statements regarding balances shown under the head Trade Receivables, Trade Payables, Non-Current and Current Loans and Advances given and taken, Other Current Assets, Deposits given and received, Insurance Claim Fund receivable and payable accounts and accounts related to TPA and pre medical check-up activities are subject to confirmation and reconciliation, if any. The necessary effect, if any, shall be taken into account on completion of the reconciliation. In the opinion of the management there would not be any material impact of this on the financial statements and we have relied upon the same. Our opinion is not modified in respect of this matter.*
b. *Attention is invited to Note No. 34 of the financial statement regarding changes in accounting policy in respect of revenue recognition for Third Party Administration (TPA) operation services. Consequent upon such change, current year revenue from operations and net profit before tax is lower by ₹167.90 million. Our opinion is not modified in respect of this matter.*

Other Matters

a. *The financial statements of the company for the year ended March 31, 2017, were audited by another auditor who expressed unmodified opinion on those statements on May 11, 2017. Our opinion is also not modified in respect of this matter.*

(b) *<u>Financial Year ended March 31, 2019</u>*

Emphasis of Matter

a. *Attention is invited to Note No.27 of the financial statements regarding balances shown under the head Trade Receivables, Trade Payables, Non-Current and Current Loans and Advances given and taken, Other Non-Current and Current Assets and liabilities, Deposits given and received, Insurance Claim Fund receivable and payable accounts and accounts related to TPA and pre medical check-up activities are subject to confirmation and reconciliation, if any. The necessary effect, if any, shall be taken into account on completion of the reconciliation. In the opinion of the management there would not be any material impact of this on the financial statements and we have relied upon the same. Our opinion is not modified in respect of this matter.*

(c) *<u>Financial Year ended March 31, 2020</u>*

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, and its cash flows for the year ended on that date.

Basis of Qualified Opinion

a. *As stated in Note No.15(a) of the financial statements trade receivables includes ₹60.33 which are outstanding receivable since a long period of time. Further in respect of the said amount no confirmation is available as on March, 31 2020. In absence of any confirmation and considering the long period since when the amount is outstanding, the company may be required to make provision for doubtful debts with respect to the said trade receivables in the financial statements. In absence of adequate information, we are unable to determine whether any adjustment is required to the said balance as on March 31, 2020 and related disclosures in the financial statements.*

b. *As stated in Note No.18(a) of the financial statements "Insurance Claim Receivable" includes payment made to insurance company amounting to ₹12.83 million which is subject to reconciliation and for which no confirmation is available as on March 31, 2020. In absence of any confirmation and pending reconciliation, the company may be required to make provision for doubtful receivables with respect to the said Insurance Claim Receivable in the financial statements. In absence of adequate information, we* *are unable to determine whether any adjustment is required to the said balance as on March 31, 2020 and related disclosures in the financial statements*

c. *As mentioned in note no. 6(iv), of the financial statement, the Company has taken certain loans which are not in compliance with the provisions of the section 73 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, as the loans are taken from individuals having balance outstanding of ₹46 million as on March 31, 2020. In terms of Section 73(1) read with Rule 2(1)(c) such taking of loans are liable to be treated as deposits and hence the Company is in violation of the same. However the Company has repaid all these loans as on date and there is no outstanding loans payable to these parties as on date. We are unable to comment on the consequential impact thereof on these financial statements.*

Emphasis of Matter

a. *Attention is invited to Note No.27 of the financial statements regarding balances shown under the head Trade Receivables, Trade Payables, Non-Current and Current Loans and Advances given and taken, Other Non-Current and Current Assets and liabilities, Deposits given and received, Insurance Claim Fund receivable and payable accounts and accounts related to TPA and pre medical check-up activities are subject to confirmation and reconciliation, if any. The necessary effect, if any, shall be taken into account on completion of the reconciliation. In the opinion of the management there would not be any material impact of this on the financial statements and we have relied upon the same.*

b. *Attention is invited to Note No. 35 of the financial statements, the outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and carrying value of assets and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements. The impact of COVID-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements.*

   Our opinion is not modified in respect of above matters."

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As mentioned in 6(iv) of the financial statement, the company has taken certain loans which are not in compliance with the provisions of the section 73 of companies Act, 2013 read together with companies (Acceptance of Deposits) Rules, 2014, as the loans are taken from individuals having balance outstanding of Rs 58.55 million as on March 31, 2020. In terms of section 73(1) read with Rule 2(1)(c) such taking of loans are liable to be treated as deposits and hence the Company is in violation of the same."

Nature and extent of interest of Group Company

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits between the Group Company and our Company

There are no common pursuits amongst our Group Company and our Company.

Related business transactions within our Group Company and significance on the financial performance of our Company

Except as disclosed in "*Restated Financial Statements – Related Party Disclosures*" on page 237, there are no related business transactions with our Group Company.

Business interest of the Group Company

Except in the ordinary course of business and as stated in "*Restated Financial Statements – Related Party Disclosures*" on page 237, our Group Company does not have any business interest in our Company.

Defunct Group Company

Our Group Company does not remain defunct and no application has been made to the registrar of companies for striking off the name of our Group Company during the five years preceding the date of this Draft Red Herring Prospectus.

Group companies which are a sick industrial company or are under winding up/ insolvency proceedings

Our Group Company does not fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and is not under any winding up or insolvency proceedings.

Loss making Group Company

Our Group Company has not incurred losses in the last audited financial year, as available for the Group Company.

Confirmation

Further, neither have any of the securities of our Company or our Group Company been refused listing by any stock exchange in India or abroad, nor has our Company or our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company has adopted a dividend distribution policy ("**Dividend Policy**") pursuant to a resolution of the Board dated July 13, 2021. The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, in terms of the Dividend Policy and subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

In accordance with the Dividend Policy, the Board shall, *inter alia*, consider the following financial, internal and external parameters before declaring dividend: (i) financial performance and profitability during the current financial year; (ii) liquidity position of the Company during the financial year; (iii) accumulated reserves available for the distribution of dividend; (iv) dividend pay-out rationale in the past; (v) net profit after tax of the Company; (vi) Liquidity position and aggregate debt equity ratio of the Company; and (vii) working capital and loan repayment requirements; (viii) capital expenditure requirements; (ix) operating cash flow of the Company for the year; (x) resources required for setting up new business and expansion plans; (xi) Fund requirements in case of acquisitions, mergers etc; (xii) regulatory restrictions, and changes in accounting policy and taxation; (xiii) technological changes which requires significant new investments; (xiv) changes in the macro-economic environment, which may have an impact on the business of the Company; (xv) dividend pay-out ratios of the companies in the same industries; and (xvi) any other factor which is likely to have a significant impact on the Company.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into, to finance our fund requirements for our business activities. For details, see section "*Financial Indebtedness*" on page 270.

The details of the dividend paid by our Company on the Equity Shares during the last three Fiscals, as per our Restated Financial Statements, are given below:

Particulars	Fiscal 2021	Fiscal 2020*	Fiscal 2019
Number of equity shares at year/period ended	5,03,29,500	34,710	44,710
Face value per equity share (in ₹)	2.00	100.00	100.00
Dividend per Equity Share (in ₹)	*Nil*	200.00	20.00
Dividend paid (in ₹ million)	*Nil*	17.00	0.89
Rate of dividend (%)	-	200.00	20.00
Dividend distribution tax (in ₹ million)	-	3.50	0.18
Dividend distribution tax (%)	-	20.56	20.36

* *During Fiscal 2020, the Company also declared an interim dividend of ₹225 per equity share aggregating to ₹10.06 million (rate of interim dividend of 225%).*

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future. For details, see "*Risk Factors – Our Company's ability to pay dividends in the future will depend on a number of factors, including but not limited to our Company's earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position.*" on page 44.

SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors

Chemspec Chemicals Limited
(Formerly known as Chemspec Chemicals Private Limited)
Plot No. 3-C, MIDC Taloja,
Tal-Panvel, Dist.-Raigad,
Navi Mumbai 410 208
Maharashtra, India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Chemspec Chemicals Limited (formerly known as "Chemspec Chemicals Private Limited") (the "Company" or the "Issuer") , its associate and its joint venture, comprising the Restated Consolidated Summary Statement of Assets and Liabilities as at, 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity, the Restated Consolidated Summary Statement of Cash Flow for the years ended 31 March 2021, 2020 and 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 13 July 2021 (for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP")) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO")] prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's Board of Directors are responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, relevant stock exchanges, and ROC Maharashtra at Mumbai in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2 to the Restated Consolidated Financial Information. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Company, its associates and joint venture complies with the Act, ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 01 March 2021 requesting us to carry out work on Restated Financial Information, to be included in the DRHP, in connection with the proposed IPO of equity shares of the Company;

   b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   a. Audited Consolidated Ind AS financial statements of the Company and its associate and joint venture as at and for the year ended 31 March, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 13 July 2021.

   b. Audited Special Purpose Consolidated Ind AS financial statements of the Company and its associate and joint venture as at and for the year ended March 31, 2020 and March 31, 2019 prepared by the Company in accordance with the Ind AS for the limited purpose of complying with the requirement of ICDR Regulations in relation to proposed IPO. We have issued our report dated 13 July 2021 on these Special Purpose Consolidated Ind AS financial statements to the Board of Directors who have approved these in their meeting held on 13 July 2021.

5. For the purpose of our examination, we have relied on auditor's reports issued by us dated 13 July 2021 on the Audited Consolidated Ind AS Financial Statements for the year ended 31 March 2021 and Special Purpose Consolidated Ind AS financial statements for the years ended 31 March 2020 and 31 March 2019 as referred in Paragraph 4 above. These auditor's reports issued by us were not modified.

6. As indicated in our audit reports referred above:

   We did not audit financial statements of an associate and a joint venture for the financial years ended 31 March 2021, 31 March 2020 and 31 March 2019 whose share of profit/ (loss) included in the Restated Consolidated Ind AS financial statements, is Rs 0.03 million, Rs (0.01) million and Rs 0.05 million respectively. These financial statements are unaudited and have been furnished to us by the management and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Company. Refer Annexure I to this report for the list of joint ventures and associates.

7. Our opinion on the consolidated Ind AS financial statements is not modified in respect of these matters. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed for the financial year ended 31 March 2021.

   b. do not require any adjustments for the matters giving rise to modifications mentioned in para 5 above; and

   c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated Ind AS financial statements and audited consolidated financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Maharashtra at Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No: 302049E

Sd/-
Milind Agal
Partner
Membership Number: 123314

Place: Mumbai
Date: 13 July 2021
UDIN: 21123314AAAAAJ4781

Annexure I

Particulars	Nature of holding	% Holding of the Company in the entity	Date when the entity ceased to exist as a joint venture/associate
Chhotalal Khambatta & Co	Joint venture	45	28 February 2021
Vora Oxides Private Limited	Associate	25	01 April 2020

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure I - Restated Consolidated Statement of Assets and Liabilities

(Amounts in INR million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Assets				
A) Non-current assets				
Property, plant and equipment	5	495.97	513.51	491.60
Capital work-in-progress	6	18.03	1.07	3.71
Right of use assets	6A	91.60	77.11	73.38
Other Intangible assets	7	0.47	0.73	0.98
Financial assets				
- Investment in Joint venture	8(a)	-	0.82	0.83
- Investment in Associate	8(b)	-	-	-
- Other Investments	8(c)	0.08	24.99	53.08
- Loans	10	2.47	3.64	8.36
- Other Financial Assets	11	0.31	0.24	0.24
Non-current tax assets (net)		0.94	12.37	38.10
Deferred Tax Assets (Net)	12	-	1.14	1.27
Other non-current assets	13	2.36	24.35	0.49
Total non-current assets (A)		**612.23**	**659.97**	**672.04**
B) Current assets				
Inventories	14	460.11	557.81	758.97
Financial assets				
- Other Investments	8(c)	20.01	-	-
- Trade Receivables	9	780.12	1,195.40	828.15
- Cash and Cash Equivalents	15(a)	200.43	3.03	1.13
- Bank Balances other than above	15(b)	387.10	-	-
- Loans	10	1.49	1.43	1.33
- Other Financial Assets	11	12.08	0.95	8.22
Other current assets	13	100.64	126.32	156.60
Total current assets (B)		**1,961.98**	**1,884.94**	**1,754.40**
Total assets (A+B)		**2,574.21**	**2,544.91**	**2,426.44**
Equity and liabilities				
C) Equity				
Equity share capital	16	100.66	3.47	4.47
Other equity	17	1,732.68	1,019.06	580.28
Total equity (C)		**1,833.34**	**1,022.53**	**584.75**
Liabilities				
D) Non-current liabilities				
Financial liabilities				
- Borrowings	18	42.50	123.30	182.10
- Lease liability	19(a)	14.62	3.74	-
Provisions	20	16.89	24.14	26.14
Deferred Tax Liabilities (Net)	12	6.34	-	-
Total non-current liabilities (D)		**80.35**	**151.18**	**208.24**

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure I - Restated Consolidated Statement of Assets and Liabilities

Particulars	Notes	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
E) Current liabilities				
Financial liabilities				
- Borrowings	18	-	326.40	708.05
- Trade Payables	22			
Total outstanding dues to micro enterprises and small enterprises		70.94	76.14	53.61
Total outstanding dues of creditors other than to micro enterprises and small enterprises		415.62	756.66	739.13
- Other Financial Liabilities	19	111.95	120.57	108.50
- Lease liability	19(a)	10.63	5.04	3.21
Provisions	20	4.48	2.95	6.17
Other current liabilities	21	14.76	7.96	6.96
Current tax liabilities (net)		32.14	75.48	7.82
Total current liabilities (E)		**660.52**	**1,371.20**	**1,633.45**
Total liabilities (D+E)		**740.87**	**1,522.38**	**1,841.69**
Total equity and liabilities (C+D+E)		**2,574.21**	**2,544.91**	**2,426.44**

The above annexure should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the Audited Consolidated Financial Information in Annexure VII.

Significant accounting policies and notes to the restated consolidated financial statements are an integral part of these financial statements. Refer note 1 to 43

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration No : 302049E

Sd/-
Milind Agal
Partner
Membership No: 123314

Place : Mumbai
Date : 13 July, 2021

For and on behalf of the Board of Directors
Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)

Sd/-
Rushabh Vora
Managing Director
DIN - 00382198

Sd/-
Priya Vora
Executive Director
DIN - 00172440

Sd/-
Navaneet Krishnan
Chief Financial Officer

Sd/-
Bharatkumar Dama
Company Secretary
Membership No: A39698

Place : Mumbai
Date : 13 July, 2021

Place : Mumbai
Date : 13 July, 2021

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure II - Restated Consolidated Statement of Profit and Loss

(Amounts in INR million)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income				
Revenue from Operations	23	5,059.12	5,966.08	3,259.78
Other Income	24	44.27	104.02	92.82
Total Income		**5,103.39**	**6,070.10**	**3,352.60**
Expenses				
Cost of Materials Consumed	25	2,588.07	3,414.41	2,353.18
Purchases of Stock-in-trade		260.40	581.27	208.03
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	105.82	156.45	-144.64
Employee Benefits Expense	27	266.07	236.94	224.31
Finance Costs	28	24.19	68.99	67.95
Depreciation and Amortisation Expense	29	102.36	97.72	101.52
Other Expenses	30	644.81	655.77	466.33
Total Expenses		**3,991.72**	**5,211.55**	**3,276.68**
Profit before Share of profit/(loss) of associates / joint ventures and tax		**1,111.67**	**858.55**	**75.92**
Share of profit/(loss) of joint ventures	41	**0.03**	**-0.01**	**0.05**
Profit Before Tax		**1,111.70**	**858.54**	**75.97**
Tax Expense/(Income)				
- Current Tax		285.62	230.25	12.56
- Tax adjustment for prior periods		7.75	21.97	-
- Deferred Tax		7.50	-1.14	12.26
Total Tax Expense		**300.87**	**251.08**	**24.82**
Profit for the year		**810.83**	**607.46**	**51.15**
Other Comprehensive Income/(loss)				
Items that will not be subsequently reclassified to profit or loss:				
- Actuarial gains/(loss) arising from remeasurements of post-employment benefit obligations		(0.09)	5.05	0.08
- Tax on remeasurement of Defined Benefit Obligation		0.02	(1.27)	-0.03
Total Other Comprehensive Income/(loss)		**(0.07)**	**3.78**	**0.05**
Total Comprehensive Income for the Year		**810.76**	**611.24**	**51.20**
Earnings Per Share - Basic and Diluted (in INR) Face Value per Equity Share - INR 2/- (Restated)	32	16.11	10.40	0.79

The above annexure should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the Audited Consolidated Financial Information in Annexure VII.

Significant accounting policies and notes to the restated consolidated financial statements are an integral part of these financial statements. Refer note 1 to 43

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration No : 302049E

Sd/-
Milind Agal
Partner
Membership No: 123314

Place : Mumbai
Date : 13 July, 2021

For and on behalf of the Board of Directors
Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)

Sd/-
Rushabh Vora
Managing Director
DIN - 00382198

Sd/-
Priya Vora
Executive Director
DIN - 00172440

Sd/-
Navaneet Krishnan
Chief Financial Officer

Sd/-
Bharatkumar Dama
Company Secretary
Membership No: A39698

Place : Mumbai
Date : 13 July, 2021

Place : Mumbai
Date : 13 July, 2021

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure III - Restated Consolidated Statement of Changes in Equity for the year ended 31 March 2021

A. Equity Share Capital (Amounts in INR million)

Particulars	Amount
Balance as at 1 April 2018	**4.47**
Changes during the year	-
Balance as at 31 March 2019	**4.47**
Changes during the year - Buyback of equity shares	-1.00
Balance as at 31 March 2020	**3.47**
Changes during the year- Issue of bonus shares	97.19
Balance as at 31 March 2021	**100.66**

B. Other Equity

Particulars	Reserves and surplus					Other comprehensive income	
	Retained Earnings	Securities Premium	General Reserve	Capital Redemption Reserve	Capital Reserve	Remeasurement loss/(gain) on employee defined benefit obligation (net of tax)	Total
Balance as at 1 April 2018	**368.96**	**111.79**	**49.20**	**0.19**	**0.01**	-	**530.15**
Profit / (loss) for the year	51.15	-	-	-	-	-	51.15
Other Comprehensive Income for the year	-	-	-	-	-	0.05	0.05
Total Comprehensive Income for the year	**51.15**	-	-	-	-	**0.05**	**51.20**
Dividend declared *	-0.89						-0.89
Dividend Distribution Tax on Dividend	-0.18						-0.18
Balance as at 31 March 2019	**419.04**	**111.79**	**49.20**	**0.19**	**0.01**	**0.05**	**580.28**
Premium utilised towards buyback of equity shares*		-111.79	-30.21	-	-	-	-142.00
Profit / (loss) for the year	607.46	-	-	-	-		607.46
Other Comprehensive Income for the year	-	-	-	-	-	3.78	3.78
Total Comprehensive Income for the year	**607.46**	**-111.79**	**-30.21**	-	-	**3.78**	**469.24**
Dividend declared *	-17.00	-	-	-	-	-	-17.00
Dividend Distribution Tax on Dividend	-3.50	-	-	-	-	-	-3.50
Tax on shares bought back	-9.96	-	-	-	-	-	-9.96
Transferred to capital redemption reserve	-1.00	-	-	1.00	-	-	-
Balance as at 31 March 2020	**995.04**	-	**18.99**	**1.19**	**0.01**	**3.83**	**1,019.06**
Profit / (loss) for the year	810.83	-	-	-	-	-	810.83
Other Comprehensive Income for the year	-	-	-	-	-	-0.07	-0.07
Total Comprehensive Income for the year	**810.83**	-	-	-	-	**-0.07**	**810.76**
Bonus shares issued	-95.94	-	-	-1.19	-0.01	-	-97.14
Balance as at 31 March 2021	**1,709.93**	-	**18.99**	-	-	**3.76**	**1,732.68**

(*Refer Note 35 for Related party transaction)

The above annexure should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the Audited Consolidated Financial Information in Annexure VII.

Significant accounting policies and notes to the restated consolidated financial statements are an integral part of these financial statements. Refer note 1 to 43

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration No : 302049E

Sd/-
Milind Agal
Partner
Membership No: 123314

Place : Mumbai
Date : 13 July, 2021

For and on behalf of the Board of Directors
Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)

Sd/-
Rushabh Vora
Managing Director
DIN - 00382198

Sd/-
Priya Vora
Executive Director
DIN - 00172440

Sd/-
Navaneet Krishnan
Chief Financial Officer

Place : Mumbai
Date : 13 July, 2021

Sd/-
Bharatkumar Dama
Company Secretary
Membership No: A39698
Place : Mumbai
Date : 13 July, 2021

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure IV - Restated Consolidated Statement of Cash Flow

(Amounts in INR million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities :			
Profit before tax	1,111.70	858.54	75.97
Adjustments for :			
Depreciation and Amortization Expense	102.36	97.72	101.52
Sundry balance written off	(6.83)	-	2.38
Provision for expenses	5.81	-	5.39
Finance Cost	23.50	68.47	67.95
Interest income	(12.19)	(0.21)	(0.83)
Dividend income*	-	-	-
Net loss on sale of investments	16.12	-	-
Loss/(Profit) sale of property plant and equipment	3.35	(0.31)	2.35
Net loss/(Gain) arising on financial assets/ liabilities measured at FVTPL	(22.94)	51.07	(38.50)
Unrealised foreign exchange (gain)/ loss (Net)	(7.11)	(46.83)	(7.41)
Share of profit /(loss) of equity accounted investees	(0.03)	0.01	(0.05)
Provision for leave encashment and gratuity	14.08	5.22	6.78
Operating profit before Working Capital changes	**1,227.82**	**1,033.68**	**215.55**
Adjustments for changes in Working Capital			
(Increase)/Decrease in Trade Receivables	422.19	(316.91)	(345.54)
(Increase)/Decrease in Loans	1.06	4.68	0.50
(Increase)/Decrease in Financial Assets	21.04	(21.07)	(6.83)
(Increase)/Decrease in Other Assets	19.87	30.28	48.56
(Increase)/Decrease in Inventories	97.70	201.16	(163.64)
Increase/(Decrease) in Trade Payables	(341.74)	34.43	237.37
Increase/(Decrease) in Financial Liabilities	1.60	7.23	(5.34)
Increase/(Decrease) in Provisions	(19.80)	-	-
Increase/(Decrease) in Other Liabilities	6.79	1.00	(22.71)
Net change in working capital	**208.71**	**(59.20)**	**(257.63)**
Cash generated from Operations	**1,436.53**	**974.48**	**(42.08)**
Taxes paid	(328.65)	(169.26)	(3.29)
Net cash from/(used in) operating activities (A)	**1,107.88**	**805.22**	**(45.37)**
B. Cash Flow from Investing Activities :			
Purchase of property, plant and equipment	(76.43)	(134.69)	(67.36)
Proceeds from sale of property, plant and equipment	2.73	1.19	0.06
Investment in Bank FD (Maturity more than 3 but less than 12 months)	(387.10)	-	-
Proceeds from sale of joint venture	0.88	-	-
Proceeds from sale of non-current investment	8.48	-	-
Net proceeds from purchase and sale of mutual fund	(19.71)	-	-
Interest received	2.82	-	0.68
Dividend received on Investments	-	0.08	0.00
Net Cash from /(used in) Investing Activities (B)	**(468.33)**	**(133.42)**	**(66.62)**
C. Cash flows from financing activities			
Proceeds from term loans	-	-	44.00
Repayment of term loans	(89.60)	(54.45)	(35.20)
Proceeds / (repayment) of working capital loans (Net)	(326.40)	(381.66)	166.50
Lease liabilities	(8.56)	(5.64)	(5.73)
Paid for Buyback of equity share capital	-	(143.00)	-
Interest paid	(17.59)	(54.63)	(63.52)
Dividend Paid	-	(17.00)	(0.89)
Buyback Tax Paid	-	(10.02)	-
Dividend Distribution Tax Paid	-	(3.50)	(0.18)
Net cash from /(used in) financing activities (C)	**(442.15)**	**(669.90)**	**104.98**
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**197.40**	**1.90**	**(7.01)**
E. Cash and cash equivalents at the beginning of the year	3.03	1.13	8.14
F. Cash and cash equivalents at the end of the year (D+E)	**200.43**	**3.03**	**1.13**
Cash and cash equivalents comprise :			
Balances with Banks			
- In Current Accounts	9.00	2.74	0.98
- In EEFC account	0.03	0.03	0.03
- Fixed deposits with maturity less than 3 months	70.00	-	-
- Balances with overdraft accounts	121.37	0.11	0.05
Cash on hand	0.03	0.15	0.07
	200.43	**3.03**	**1.13**

*Amount less than 0.01 millions

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure IV - Restated Consolidated Statement of Cash Flow (contd.)

Reconciliation of movement in borrowings to cash flows from financing activities:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance			
Non-current borrowings	123.30	182.10	193.55
Current borrowings	326.40	708.05	541.55
Current maturities of long term borrowings	58.80	54.45	34.20
Total Opening balance	**508.50**	**944.60**	**769.30**
Cash flow movements			
Proceeds from term loans	-	-	44.00
Repayment of term loans	(89.60)	(54.45)	(35.20)
Proceeds / (repayment) of working capital loans (Net)	(326.40)	(381.66)	166.50
	-416.00	**-436.11**	**175.30**
Non-cash movements			
Foreign currency translation	-	-	-
	-	-	-
Closing balance			
Non-current borrowings	42.50	123.30	182.10
Current borrowings	-	326.40	708.05
Current maturities of long term borrowings	50.00	58.80	54.45
Total Closing balance	**92.50**	**508.50**	**944.60**

Notes:
The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Ind AS 7 - Statement of Cash Flows.

The above annexure should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the Audited Consolidated Financial Information in Annexure VII.

Significant accounting policies and notes to the restated consolidated financial statements are an integral part of these financial statements. Refer note 1 to 43

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration No : 302049E

Sd/-
Milind Agal
Partner
Membership No: 123314

Place : Mumbai
Date : 13 July, 2021

For and on behalf of the Board of Directors
Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)

Sd/-
Rushabh Vora
Managing Director
DIN - 00382198

Sd/-
Priya Vora
Executive Director
DIN - 00172440

Sd/-
Navaneet Krishnan
Chief Financial Officer

Sd/-
Bharatkumar Dama
Company Secretary
Membership No: A39698

Place : Mumbai
Date : 13 July, 2021

Place : Mumbai
Date : 13 July, 2021

1. Corporate Information

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited) (The Holding Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Holding Company is engaged in the business of manufacturing chemical intermediaries. The registered office of the Holding Company is located at Plot No. 3-C, NIDC Taloja, Tal. Panvel, Dist. Raigad, Navi Mumbai 410208.

The Company has converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of the Company held on June 24, 2021 and consequently the name of the Company has changed to Chemspec Chemicals Limited pursuant to a fresh certificate of incorporation issued by the ROC on July 08, 2021.

2. Basis of preparation of Restated consolidated Ind AS summary statements

2.1. Statement of compliance

The Restated Consolidated Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statements of Changes in Equity and the Restated Summary Statements of Consolidated Cash Flow Statement, for the year then ended 31 March 2021, 31 March 2020 and 31 March 2019, the Summary of Significant Accounting Policies and other explanatory information (Collectively, the “Restated Consolidated Ind AS Summary statements” or ‘statements’).

The Restated Consolidated Ind AS Summary statements has been prepared by the management of the Holding Company for the purpose of inclusion in the Draft red herring prospectus (DRHP) in connection with proposed initial public offering(‘IPO’) of its equity shares, comprising an offer for sale of such equity shares by certain shareholders (the “Proposed Offer”).

The Restated Consolidated Ind AS Summary statements has been prepared to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “Act”),
b) The Securities and Exchange board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (The SEBI ICDR “Regulations”) issued by Securities and

Exchange board of India Act ('SEBI') as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

These Restated consolidated Ind AS summary statements have been compiled from:

a) Audited Consolidated Ind AS financial statements of the Company and its associate and joint venture as at and for the year ended 31 March, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 13 July, 2021.

b) Audited Special Purpose Consolidated Ind AS financial statements of the Holding Company and its associate and joint venture as at and for the year ended March 31, 2020 and March 31, 2019 prepared by the Holding Company in accordance with the Ind AS for the limited purpose of complying with the requirement of ICDR Regulations in relation to proposed IPO. We have issued our report dated 13 July 2021 on these Special Purpose Consolidated Ind AS financial statements to the Board of Directors who have approved these in their meeting held on 13 July, 2021.

The consolidated summary statements of the Holding Company as at and for the year ended 31 March 2019, is prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Financial Statement for the year ended 31 March 2019 the Holding Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., 1 April 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the consolidated summary statements for the year ended 31 March 2019 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e., 1 April 2018). Refer Annexure VII to of Restated Consolidated Summary Statements for detailed information on how the Group transitioned to Ind AS.

The consolidated financial statements for the year ended March 31, 2021 are the first consolidated financial statements the Holding Company has prepared in accordance with Ind AS. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Annexure VII of Audited Consolidated Ind AS financial summary statements as at and for the year ended 31 March 2021

These Restated Consolidated Ind AS Financial Information are approved for issue by the Board of Directors on 13 July, 2021.

2.2. Basis of preparation and measurement

The Restated Consolidated Ind AS financial Summary statements of the Holding Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Accounting policies have been consistently applied for all periods presented in the restated consolidated Ind AS financial information except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3. Basis of consolidation

The Restated Consolidated Ind AS Summary statements incorporate the financial statements of the Holding Company its Associates and Joint ventures.

Associates

Associates are the entities over which the Holding Company has significant influence. Investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting.

The list of joint venture and associate included in the Restated Consolidated Ind AS Summary statements are as under:

Name of the company and relationship with holding Company	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2020	As at 31 March 2019
Chhotalal Khambata & Co – Joint Venture	India	45%	45%
Vora Oxide Pvt Ltd - Associate	India	25%	25%

2.4. Functional and presentation currency

The Restated Consolidated Ind AS Summary statements have been presented in Indian Rupees (INR), which is the Holding Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of million, unless otherwise stated.

2.5. Use of estimates and judgements

The preparation of the Restated Consolidated financial information in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are as follows:

2.5.1. Property plant and equipment

Determination of the estimated useful lives and residual values of tangible assets and the assessment as to which components of the cost may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

2.5.2. Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Holding Company. Where the potential liabilities have a low probability of crystallising or are very difficult to reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the restated consolidated Ind AS summary statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

2.5.3. Allowance for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the restated consolidated Ind AS summary statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the restated consolidated Ind AS summary statements.

2.5.4. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian government, to stem the spread of COVID-19. Due to this, the operations in some of the Holding Company's manufacturing got temporarily disrupted.

The Holding Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financials assets, inventory, receivable property plant and equipment, Intangibles etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Holding Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc.

Having reviewed the underlying data and based on current estimates the Holding Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the restated consolidated Ind AS summary statements may differ from that estimated as at the date of approval of these restated consolidated Ind AS summary statements and the Holding Company will continue to closely monitor any material changes to future economic conditions.

2.5.5. Recognition and measurement of defined benefit obligation

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

2.5.6. Recognition of deferred taxes

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

2.5.7. Allowance of doubtful debts

The Holding Company make allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

2.5.8. Discounting of long-term financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

2.5.9. Fair value of financial instruments

Derivatives are carried at fair value, Derivatives includes Foreign Currency Forward Contracts and currency swap, Fair value of which, is determined using the fair value reports provided by respective banks.

2.5.10. Determining whether an arrangement contains a lease

The Holding Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Holding Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Holding Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Holding Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Holding Company is reasonably certain not to exercise that option. In assessing whether the Holding Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Holding Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Holding Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.5.11. Measurement of fair values

The Holding Company measures fair value in line with Ind AS 113. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Holding Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3. Current and non-current classification

The Holding Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in or is intended for sale or consumption in, the Holding Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Holding Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or the Holding Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date;
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

4. Significant accounting policies

4.1. Revenue recognition

The Holding Company derives revenue primarily from sale of specialty chemicals and pharma products. Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration the Holding Company expects to receive in exchange for those products. To recognise revenues, the Holding Company applies the following five step approach:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract and
- recognise revenues when a performance obligation is satisfied.

4.1.1. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Holding Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognized at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to the short nature of credit period given to customers, there is no financing component in the contract.

4.1.2. Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Holding Company and the amount of income can be measured reliably).

4.1.3. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Holding Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.1.4. Export incentive

Export incentives principally comprises of merchandise export incentive scheme, Duty drawback scheme and other export incentive schemes. The benefits under these incentive schemes are available based on the guidelines formulated for respective schemes by the government authorities. These incentives are recognised as revenue to the extent it is probable that realisation is certain and on the basis of submission of application with the relevant authorities.

4.1.5. Insurance claim

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

4.2. Foreign exchange translation

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Restated Consolidated Statement of profit and loss.

4.3. Leases

As a lessee

Effective April 1, 2019, the Holding Company adopted Ind AS 116 “Leases” applied to all lease contracts existing on April 1, 2018 using the full retrospective method. The impact of Ind AS 116, has been presented in Note 34 of Restated Consolidated Ind AS Summary statements.

The Holding Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Holding Company’s incremental borrowing rate. Generally, the Holding Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Holding Company is reasonably certain to exercise, lease payments in an optional renewal period if the Holding Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Holding Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Holding Company's estimate of the amount expected to be payable under a residual value guarantee, or if Holding Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Holding Company's leases mainly comprise land and buildings. The Holding Company leases land and buildings for warehouse facilities.

4.4. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

4.4.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the restated consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Holding Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

4.4.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Consolidated Ind AS Summary statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.4.3. Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

Current and deferred tax expense is recognised in the Restated Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.5. Employee Benefits

Short-term employee benefit obligation is measured on an undiscounted basis and are expensed as the related service is provided. These benefits include bonus and compensated absences such as paid annual leave and sickness leave. A liability is recognised for the amount expected to be paid if the Holding Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

4.5.1. Post retirement employee benefits

i) Defined contribution plans

Retirement benefit in the form of provident fund is defined contribution scheme. The Holding Company has no obligation, other than the contribution payable to such scheme. The Holding Company recognises contribution payable to such schemes as an expense, when an employee renders the related service.

ii) Defined benefit plans

The Holding Company obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Holding Company recognizes the service costs comprising current service costs and net interest expense or income in the net defined benefit obligation as an expense in the Restated Consolidated statement of profit and loss.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Liability for gratuity as at the period/year end is provided on the basis of actuarial valuation.

The Holding Company's gratuity liability is funded from 2020-2021 onwards.

Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

4.5.2 Short term employee benefits

The Holding Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The Holding Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Holding Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

4.6. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Holding Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying

economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Restated Consolidated statement of profit and loss.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Holding Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

4.7. Property plant and equipment

4.7.1. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates
b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.
c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Restated Consolidated Statement of profit and loss.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in restated consolidated Ind AS summary statements.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Restated Consolidated Statement of profit and loss.

4.7.2. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Holding Company and the cost of item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

4.7.3. Depreciation

Depreciation is calculated using the written down value method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act, except for certain assets used for USFDA which is depreciated on straight line basis.

Based on internal assessment and technical evaluation carried out, management believes that the useful life of asset is different from the useful life prescribed under Part C of Schedule II of the Companies Act, 2013.

Category of Asset	Useful lives (years)
Factory Building	30
Non factory building	Up to 60
Plant and Machinery	20
Furniture & Fixtures	10
Office Equipment	5
Computers	3
Vehicles	8
Laboratory Equipment	10
Electrical Installation and Equipment	10

4.8. Capital work in progress

Assets acquired but not ready for use or assets under construction are classified under 'Capital work-in-progress' and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing costs capitalised and other direct expenditure.

4.9. Intangible assets

4.9.1. Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a written down value method.

The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

4.9.2. Amortization

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the written down value method over their estimated useful lives, and is included in depreciation and amortisation in the restated consolidated statement of profit and loss.

Category of Asset	Useful lives (years)
Computer software	3

4.9.3. Derecognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount.

4.10. Research and development expenditure

Expenditure on research activities in recognised in the restated consolidated statement of profit and loss as incurred.

Development expenditure is capitalised as a part of cost of resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Holding Company intends to and has sufficient resources to complete the development and use/sell the asset. Otherwise, these expenses are recognised in the restated consolidated statement of profit and loss as incurred.

4.11. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

4.12. Dividend paid

The Holding Company recognizes a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company on or before the end of the reporting period.

4.13. Impairment of non-financial assets

At the end of each reporting year, the Holding Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where, it is not possible to estimate the recoverable amount of an individual asset, the Holding Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Holding Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in the restated consolidated Statement of Profit and Loss. Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment.

4.14. Inventories

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. The cost of inventories is based on first in first out and includes expenditure incurred in acquiring the inventories, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an

appropriate share of fixed production overheads based normal operating capacity of production facilities. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by item basis.

4.15. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

4.16. Non-current assets held for sale

Non-current assets or disposal groups comprising of assets as held for sale if it is highly probable that they will be recovered primary through sale rather than continuing use.
Such assets, or disposal groups are generally measured at lower of carrying value or fair value less cost to sell. Any resultant loss on disposal is recognised in the restated consolidated statement of profit and loss
Once the asset or disposal group is classified as held for sale, they will no longer be amortised or depreciated or equity accounted.
This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

4.17. Financial instruments

4.17.1. Financial assets

i) Recognition and measurement

Trade receivables, mutual funds and other debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Holding Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value, in case of financial asset which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the restated consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset

ii) Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI) - debt investment or equity investment

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Holding Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Holding Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment - by - investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii) Subsequent measurement and gains and losses

a) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the restated consolidated statement of profit and loss.

b) Financial asset at amortized cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the restated consolidated statement of profit and loss. Any gain or loss on derecognition is recognised in the restated consolidated statement of profit and loss.

c) Debt instruments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the restated consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the restated consolidated statement of profit and loss.

d) Equity instruments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the restated consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the restated consolidated statement of profit and loss.

iv) Derecognition

The Holding Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Holding Company neither transfer nor retain substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Holding Company enters into transactions whereby, they transfer assets recognised on their balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

4.17.2. Financial liabilities

i) Recognition and initial measurement

All financial liabilities are initially recognised when Holding Company becomes a party to the contractual provisions of the instrument. A financial liability is initially measured at fair value, in case of financial liability which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the restated consolidated statement of profit and loss. In other cases, the transaction costs are attributed to the issue of a financial liability.

ii) Classification and subsequent measurement of gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held - for - trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the restated consolidated statement of profit and loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the restated consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in the restated consolidated statement of profit and loss.

iii) Derecognition

The Holding Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Holding Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the restated consolidated statement of profit and loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Holding Company currently have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.17.3. Derivative financial instruments

The Holding Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks which are not designated as hedges. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting period. Any changes therein are generally recognised in the profit and loss account.

4.17.4. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

4.18. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as chief operating decision maker. Refer Note 33

4.19. Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Holding Company to satisfy the exercise of the share options by the employees.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information

(All amounts are in INR million, unless otherwise stated)

5 Note 5 - Property, Plant and Equipment

Particulars	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Laboratory Equipments	Electrical Installation and Equipments	Leasehold improvements	Total
Cost											
As at 1 April 2018	104.61	5.59	333.09	4.42	0.91	0.57	1.41	27.06	27.11	-	504.77
Additions	6.56	-	68.65	-	0.25	0.20	2.13	3.40	2.51	-	83.70
Disposals	-	-	2.80	-	-	-	-	-	-	-	2.80
As at 31 March 2019	111.17	5.59	398.94	4.42	1.16	0.77	3.54	30.46	29.62	-	585.67
Additions	17.25	-	91.21	0.19	0.73	0.61	-	0.06	3.39	-	113.44
Disposals	-	-	1.15	-	-	-	-	-	-	-	1.15
As at 31 March 2020	128.42	5.59	489.00	4.61	1.89	1.38	3.54	30.52	33.01	-	697.96
Additions	1.67	0.28	8.68	0.25	1.05	0.91	7.69	-	0.52	60.41	81.46
Disposals	-	-	9.27	-	-	-	0.38	-	-	-	9.65
As at 31 March 2021	130.09	5.87	488.41	4.86	2.94	2.29	10.85	30.52	33.53	60.41	769.77
Accumulated depreciation											-
As at 1 April 2018	-	-	-	-	-	-	-	-	-		-
Charge for the Year	11.75	0.41	65.12	1.15	0.45	0.35	0.43	7.39	7.41	-	94.46
Disposals	-	-	0.39	-	-	-	-	-	-	-	0.39
As at 31 March 2019	11.75	0.41	64.73	1.15	0.45	0.35	0.43	7.39	7.41	-	94.07
Charge for the Year	11.60	0.41	63.28	0.94	0.49	0.39	0.91	6.25	6.38	-	90.65
Disposals	-	-	0.27	-	-	-	-	-	-	-	0.27
As at 31 March 2020	23.35	0.82	127.74	2.09	0.94	0.74	1.34	13.64	13.79	-	184.45
Charge for the Year	10.93	0.22	61.50	0.79	0.60	0.46	1.47	4.97	5.27	6.71	92.92
Disposals	-	-	3.36	-	-	-	0.21	-	-	-	3.57
As at 31 March 2021	34.28	1.04	185.88	2.88	1.54	1.20	2.60	18.61	19.06	6.71	273.80
Net carrying amount											
As at 31 March 2021	95.81	4.83	302.53	1.98	1.40	1.09	8.25	11.91	14.47	53.70	495.97
As at 31 March 2020	105.07	4.77	361.26	2.52	0.95	0.64	2.20	16.88	19.22	-	513.51
As at 31 March 2019	99.42	5.18	334.21	3.27	0.71	0.42	3.11	23.07	22.21	-	491.60
As at 1 April 2018	104.61	5.59	333.09	4.42	0.91	0.57	1.41	27.06	27.11	-	504.77

a) Refer Note 18 for charge created on property, plant and equipment and assets pledged
b) Refer Note 37(c) for disclosure of contractual commitments for acquisition of property, plant and equipment

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

6 **Note 6 - Capital work-in-progress**

Particulars	CWIP
Cost	
As at 1 April 2018	17.83
Additions	71.28
Reclassified during the period	85.40
As at 31 March 2019	3.71
Additions	114.52
Reclassified during the period	117.16
As at 31 March 2020	1.07
Additions	91.30
Reclassified during the period	74.34
As at 31 March 2021	18.03

6A **Note 6A Right of Use Assets**

Particulars	Leasehold Land	ROU-Building	Warehouse	Total
Cost				-
As at 1 April 2018	71.55	-	1.19	72.74
Additions	-	-	7.41	7.41
Disposals	-	-	-1.20	-1.20
As at 31 March 2019	71.55	-	7.40	78.95
Additions	-	-	10.55	10.55
Disposals	-	-	-4.01	-4.01
As at 31 March 2020	71.55	-	13.94	85.49
Additions	-	22.01	1.66	23.67
Disposals	-	-	-3.05	-3.05
As at 31 March 2021	71.55	22.01	12.55	106.11
Depreciation				-
As at 1 April 2018	-	-	-	-
Charge for the Year	1.52	-	5.25	6.77
Disposals	-	-	-1.20	-1.20
As at 31 March 2019	1.52	-	4.05	5.57
Charge for the Year	1.54	-	5.28	6.82
Disposals	-	-	-4.01	-4.01
As at 31 March 2020	3.06	-	5.32	8.38
Charge for the Year	1.52	2.45	5.21	9.18
Disposals		-	-3.05	-3.05
As at 31 March 2021	4.58	2.45	7.48	14.51
Net Block				-
As at 31 March 2021	66.97	19.56	5.07	91.60
As at 31 March 2020	68.49	-	8.62	77.11
As at 31 March 2019	70.03	-	3.35	73.38
As at 1 April 2018	71.55	-	1.19	72.74

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

7 Note 7 - Intangible assets

Particulars	Software
Cost	
As at 1 April 2018	1.20
Additions	0.07
Disposals	-
As at 31 March 2019	1.27
Additions	-
Disposals	-
As at 31 March 2020	1.27
Additions	-
Disposals	-
As at 31 March 2021	1.27
Depreciation	
As at 1 April 2018	-
Charge for the Year	0.29
Disposals	-
As at 31 March 2019	0.29
Charge for the Year	0.25
Disposals	-
As at 31 March 2020	0.54
Charge for the Year	0.26
Disposals	-
As at 31 March 2021	0.80
Net Block	
As at 31 March 2021	0.47
As at 31 March 2020	0.73
As at 31 March 2019	0.98
As at 1 April 2018	1.20

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

Note 8(a) - Investment in Joint venture

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Investment in Partnership firm - Joint venture			
Chhotalal Khambata & Co	-	0.82	0.83
Total Investment in Joint Venture	-	**0.82**	**0.83**
Unquoted			
Aggregate carrying value	-	0.82	0.83

Note 8(b) - Investment in Associate

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Investment in Unquoted Equity shares - Associate			
Nil (March 31, 2020 500; March 31, 2019 500) Equity shares of Rs.100/- each of Vora Oxide Pvt Ltd	-	0.05	0.05
Total investments (Gross)	-	**0.05**	**0.05**
Less: Provision for diminution	-	(0.05)	(0.05)
Total Investment in Associate	-	-	-

Vora Oxides Private Limited was formed in 1983 and is dormant during the period. The Holding Company has impaired its investments in the associate in full to the extent of carrying value. The Holding Company held 25% stake in Vora Oxides Private Limited and which was divested on 01-04-2020.

Note 8(c)- Other Investments

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Non-current			
A. Investment in equity instruments			
Quoted (At fair value through profit or loss)			
1500 (March 31, 2020 1500; March 31, 2019 1500) equity shares of Rs.10/- each of Hind Aluminium Industries Ltd	0.05	0.05	0.11
2900 (March 31, 2020 2900; March 31, 2019 2900) Equity shares of Rs.5/- each of Shree Rama Multi Tech Ltd	0.03	-	0.02
Less: Provision for diminution-Quoted	-	-	-
Unquoted (At fair value through profit or loss)			
Nil (March 31, 2020 474000; March 31, 2019 474000) Equity shares of Rs.10/- each of Health India Insurance TPA Services Pvt Ltd	-	24.94	52.95
Total other non-current investments	**0.08**	**24.99**	**53.08**
Quoted			
Aggregate book value	0.08	0.05	0.13
Aggregate market value	0.08	0.05	0.13
Unquoted			
Aggregate carrying value	-	24.94	52.95
Current			
B. Investment in mutual fund			
Unquoted (At fair value through profit or loss)			
60,767 units of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus)	20.01	-	-
Total other current investments	**20.01**	-	-
Unquoted			
Aggregate carrying value	20.01	-	-

Investments at fair value through Profit & Loss (fully paid) reflect investment in equity securities. Refer Note 39 for determination of their fair values.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 9 - Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good	780.12	1,195.40	828.15
Total trade receivables	780.12	1,195.40	828.15

No trade or other receivables are due from related parties mentioned in note 35
Trade receivable are non-interest bearing and are generally on terms of 45 to 120 days
For explanations on Holding Company's credit risk management process, refer Note 38(ii)

Note 10 - Loans
(Unsecured considered good unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Loans to employees		-		-		-
- Credit impaired	0.21		0.21		0.21	
- Others	1.49		1.43		1.33	
Less: Allowance for doubtful loans	(0.21)	-	(0.21)	-	(0.21)	-
Security deposits	-	2.47	-	3.64	-	8.36
Total loans	1.49	2.47	1.43	3.64	1.33	8.36

Note 11 - Other financial assets

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Unsecured and considered good						
Derivative Asset	2.79	-	0.90	-	2.82	-
Fixed deposit accounts-original maturity more than 12 months	-	0.31	-	0.24	-	0.24
Other receivables	-	-	-	-	5.37	-
Accrued interest	9.29	-	0.05	-	0.03	-
Total other financial assets	12.08	0.31	0.95	0.24	8.22	0.24

Note 12 - Deferred Tax

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Deferred tax asset			
Arising out of disallowances in Income-Tax	0.96	2.32	3.32
Arising out of Carry forward loss	-	-	12.57
Provision for Employee benefits	6.65	8.07	10.76
Others	0.12	13.16	-
MAT Credit Entitlement	-	-	16.00
		-	
Deferred tax liability (net)		-	
On account of Fixed Assets	14.07	22.41	38.63
Others	-	-	2.75
Deferred tax asset/(liability) (Net)	(6.34)	1.14	1.27

Refer Note 36 for movement and rate reconciliation

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 13 - Other assets

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Export benefits and entitlements	55.84	-	68.96	-	127.53	-
Capital advances	-	2.36	-	24.35	-	0.49
Unsecured, considered good						
Advance to vendors	2.70	-	2.75	-	2.13	-
Prepaid Expenses	12.47	-	11.48	-	6.54	-
Balances with Statutory Authorities	29.63	-	40.21	-	20.40	-
Other receivables	11.19	-	8.31	-	5.39	-
Less: Allowance for doubtful receivables	(11.19)	-	(5.39)	-	(5.39)	-
Total other assets	100.64	2.36	126.32	24.35	156.60	0.49

Note 14 - Inventories

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(Lower of Cost and Net Realisable Value)			
Raw Materials (Refer Note (a))	178.66	172.90	214.32
Work in Progress	60.01	90.29	119.16
Finished Goods(including in goods in transit) (Refer Note (b))	188.71	222.29	377.33
Stock-in-trade	24.16	66.12	38.66
Stock at Engineering Stores	5.18	3.88	3.83
Packing Materials	3.39	2.33	5.67
Total inventories	460.11	557.81	758.97

(a) Raw materials include raw materials in-transit amounting to INR 66.41 millions as at 31 March 2021 (INR 101.20 millions as at 31 March 2020, INR 66.41 millions as at 31 March 2019)
(b) Finished goods include goods in-transit amounting to INR 135.59 millions as at 31 March 2021 (INR 128.85 millions as at 31 March 2020, INR 355.94 millions as at 31 March 2019)
(c) Refer Note 18 for charge created on inventories

Note 15(a) - Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash on Hand	0.03	0.15	0.07
Balances with Banks			
- In Current Accounts	9.00	2.74	0.98
- In EEFC account	0.03	0.03	0.03
- Fixed deposits with maturity less than 3 months	70.00	-	-
- Balances with overdraft accounts	121.37	0.11	0.05
Total cash and cash equivalents	200.43	3.03	1.13

Note 15(b) - Bank balances other than above

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Fixed deposits with more than 3 months but less than 12 months maturity	387.10	-	-
Total bank balances other than above	387.10	-	-

The above annexure should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the Audited Consolidated Financial Information in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 16 - Equity Share Capital

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Authorised			
5,47,50,000 (Previous years: 95,000 shares of Rs 100 each) equity shares of Rs. 2 each	109.50	9.50	9.50
5,000 (Previous years: 5,000) 14% Redeemable Preference Shares of Rs. 100 each	0.50	0.50	0.50
	110.00	10.00	10.00
Issued, Subscribed and Paid-up Capital:			
5,03,29,500 (31 March 2020: 34,710 and 31 March 2019: 44,710 of Rs 100 each) Equity shares, Rs.2 each fully paid-up	100.66	3.47	4.47

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares						
At the beginning of the year	34,710	3.47	44,710	4.47	44,710	4.47
Add:-Subdivision effect (Refer Note (e))	4,93,22,910	-	-	-	-	-
Add:-Issued during the year(Refer Note (e))	9,71,880	97.19	-	-	-	-
Less:-Share cancelled on buyback (Refer Note (d))	-	-	10,000	1.00	-	-
Outstanding at the end of year	**5,03,29,500**	**100.66**	**34,710**	**3.47**	**44,710**	**4.47**

(b) Rights, Preferences and restrictions attached to shares:

Equity Shares: The Holding Company has one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(c) Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company :

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity shares Rs. 2 each fully paid-up in 2020-21 (Previous years: Rs. 100 each fully paid-up)						
Mr. Jayant C Vora	1,07,63,350	21.39%	7,423	21.39%	7,423	16.60%
Mr. Mitul J Vora	74,13,850	14.73%	5,113	14.73%	5,113	11.44%
Mr. Rushabh J Vora	78,59,000	15.62%	5,420	15.62%	5,420	12.12%
M/s. Bhaichand Amoluk Consultancy Services LLP	2,42,93,300	48.26%	16,754	48.26%	16,754	37.47%
M/s. Nottinghill Finance Ltd. - Mauritius	-	-	-	-	10,000	22.37%

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

The Holding Company has issued bonus equity shares in the ratio of 28:1 for year ended 31 March 2021 and buy back 10,000 equity shares during the year ended 31 March 2020, having face value of Rs. 100. Except the above, the Holding Company has neither issued any bonus shares nor has buy back of shares during the five years immediately preceding March 31, 2021.

(e) Bonus issue and subdivision of shares

Pursuant to shareholders' resolution passed in Extra General Body Meeting held ('EGM') on 27 March 2021, to issue bonus in the ratio of 28:1 i.e. 28 shares for each equity share held by the shareholders accordingly the Company issues 9,71,880 shares as bonus shares.

Thereafter, pursuant to shareholders' resolution passed in Extra General Body Meeting held ('EGM') on 30 March 2021, the equity share capital of the Holding Company (Authorised, issued and paid up) was subdivided from INR 100/share to INR 2/share.

The record date for the bonus and share split is 25 March 2021.

The above annexure should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Notes to Restated Consolidated Financial Information in Annexure VI, Statement of Adjustment to the Audited Consolidated Financial Information in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 17 - Other Equity
The following dividends were declared/paid by the Holding Company.

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Dividends on equity shares declared and paid including dividend distribution tax	-	20.50	1.07

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Reserves and Surplus			
Capital Reserve	-	0.01	0.01
Capital Redemption Reserve	-	1.19	0.19
Securities premium	-	-	111.79
General Reserve	18.99	18.99	49.20
Retained Earnings	1,709.93	995.04	419.04
Other Reserves			
Other Comprehensive Income	3.76	3.83	0.05
	1,732.68	1,019.06	580.28

Nature and purpose of reserves

Capital Reserve

Capital reserve is created out of capital profits and not free for distribution as dividend.

Capital redemption reserve

Capital redemption reserve has been created towards utilisation for redemption of shares through buyback,etc

Securities premium

Where the Holding Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium". The Holding Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and can use this reserve for buy-back of shares, issue of fully paid bonus shares, premium on redemption of shares, etc

General reserve

General reserve is created out of the profits earned by the Holding Company by way of transfer from surplus in the statement of profit or loss. The Holding Company can use this reserve for payment of dividend and issue of bonus shares.

Retained earnings

Retained earnings are the profits that the Holding Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Holding Company.

Other comprehensive income

Differences between the interest income and planned assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognised in "Other comprehensive income" and subsequently not reclassified to the Restated Consolidated Statement of Profit or Loss.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

Note 18 - Borrowings

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Term loans:						
Secured						
Term Loan-HDFC Bank (Refer Note (a))	50.00	42.50	58.80	123.30	54.40	182.10
Term Loan-Axis Bank (Refer Note (b))	-	-	-	-	0.05	-
Other loans:						
Secured						
Working capital loan from HDFC Bank (Refer Note (c))	-	-	326.40	-	708.05	-
Total borrowings	-	42.50	326.40	123.30	708.05	182.10

(a) Secured by way of hypothecation of the immovable property and movable fixed assets of the Holding Company in the name of Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited) situated at Plot No. 3-C, MIDC Taloja, Dist Raigad - 410208)

For FY	Particulars	Interest rate (refer note e)
As at March 31, 2021	Indian Rupee Term Loans disbursed from HDFC Bank Rs 279 Millions is payable in 152 unequal quarterly instalments commencing from 01 October 2017 and ending on 13 August 2024. Out of the 152 unequal quarterly instalments, 99 instalments have been repaid up to 31.03.2021	8.65%
As at March 31, 2020	Indian Rupee Term Loans disbursed from HDFC Bank Rs 279 Millions is payable in 152 unequal quarterly instalments commencing from 01 October 2017 and ending on 13 August 2024. Out of the 152 unequal quarterly instalments, 53 instalments have been repaid up to 31.03.2020	9.40% to 9.65%
As at March 31, 2019	Indian Rupee Term Loans disbursed from HDFC Bank Rs 279 Millions is payable in 152 unequal quarterly instalments commencing from 01 October 2017 and ending on 13 August 2024. Out of the 152 unequal quarterly instalments, 23 instalments have been repaid up to 31.03.2019	9.20% to 9.25%

(b) (Secured Against Hypothecation of Car)
Repayment Terms :-
i) by way of 60 Equated Monthly instalment (EMI) of Rs 18,270.
ii) by separate repayment in case where the Loan is proposed to be paid before the commencement of EMI
The last instalment was on 1st June,2019.

(c) Secured against the stock and book debts and other current assets of the Holding Company, both present & future. Exclusive charge on the plant and machinery in the name of Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited) situated at Plot no. 3-C, MIDC Taloja, Dist Raigad - 410208. Rate of interest varies between 9.0% to 10%.

(d) There has been no default in repayment of borrowings as at balance sheet date
(e) The borrowings of the Holding Company are floating rate borrowings, have been calculated based on MCLR plus applicable spread

Note 19 - Other Financial Liabilities

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Current maturities of long term borrowings (Refer Note 18)	50.00	-	58.80	-	54.45	-
Interest accrued but not due	0.68	-	2.25	-	1.75	-
Payable for Capital Purchases	17.40	-	4.69	-	25.33	-
Derivative Liability	-	-	21.04	-	-	-
Payable to employees	25.75	-	21.01	-	18.80	-
Other liabilities	18.12	-	12.78	-	8.17	-
Total other financial liabilities	111.95	-	120.57	-	108.50	-

Note 19(a) Lease Liability

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Lease liability	10.63	14.62	5.04	3.74	3.21	-

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

Note 20 - Provisions

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current	Current	Non Current
Provision for Employee Benefits						
- Gratuity	2.00	2.58	1.74	17.67	3.94	18.68
- Compensated Absences	2.48	14.31	1.21	6.47	2.23	7.46
Total provisions	4.48	16.89	2.95	24.14	6.17	26.14

Refer Note 31 Employee Benefits

Note 21 - Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Payable towards Statutory Liabilities	4.11	5.19	3.32
Advance from Customers	10.65	2.77	3.64
Total other current liabilities	14.76	7.96	6.96

Note 22 - Trade Payable

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro enterprises and Small enterprises [Refer Note (a) below]	70.94	76.14	53.61
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises			
- Creditors for Goods	376.73	668.51	643.41
- Creditors for Expenses	38.89	88.15	95.72
Total trade payables	486.56	832.80	792.74

Amounts due to Micro enterprises and small enterprises

Details of micro and small enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Holding Company owes dues on account of principal amount together with interest and accordingly disclosed hereunder.

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a) Dues remaining unpaid at the end of each accounting year for micro and small enterprises:			
Principal	64.47	72.40	51.99
Interest on above	0.41	0.22	0.39
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year :			
Interest on above	-	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	2.33	1.89	1.23
d) Amount of interest accrued and remaining unpaid	6.47	3.74	1.62
e) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-
The above information has been determined to the extent such parties have been identified on the basis of information available with the Holding Company.			

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Note 23 - Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	5,002.22	5,792.78	3,160.05
Other Operating Revenue:	-	-	-
Export incentives*	56.90	173.30	99.73
Total revenue from operations	**5,059.12**	**5,966.08**	**3,259.78**

*During the current year the Holding Company has not recognised export incentives (MEIS) amounting to Rs 62.85 Millions as application could not be filed with relevant authorities.

The Holding Company's operations falls under single segment namely "Manufacturing of Specialised Chemicals", taking into account the risks and returns, the organization structure and the internal reporting systems.
Revenue disaggregation based on:

a) Category of goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Pharma	666.81	644.26	323.47
FMCG	4,012.96	4,399.43	2,590.18
Other	322.45	749.09	246.40
Total revenue from (sale of products)	**5,002.22**	**5,792.78**	**3,160.05**

b) Geographic Region

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Local sales	1,631.38	2,086.26	1,181.59
Export sales	3,370.84	3,706.52	1,978.46
Total revenue from (sale of products)	**5,002.22**	**5,792.78**	**3,160.05**

The amounts receivable from customers become due after expiry of credit period which on an average is less than 120 days. There is no significant financing component in any transaction with the customers.

Note 24 - Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income financial asset at amortised cost			
Interest income on fixed deposit	11.57	0.10	0.04
Others	0.06	0.11	0.59
Interest on tax refund	0.56	-	0.20
Interest income on VAT refund	-	1.28	2.24
Dividend Income*	-	-	-
Net gain arising on financial assets/ liabilities measured at FVTPL			
- Derivatives	22.92	-	8.83
- Investment	0.02	-	29.67
Foreign Exchange Fluctuations (Net)	-	97.09	45.32
Net profit on sale/ write off of property, plant and equipment	-	0.31	0.04
Insurance claim	1.86	5.13	5.37
Miscellaneous income	7.28	-	0.52
Total other income	**44.27**	**104.02**	**92.82**

*Amount less than 0.01 millions

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Note 25 - Cost of material consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials:			
Opening stock	172.90	214.31	193.85
Add: Purchases	2,551.94	3,329.31	2,330.38
	2,724.84	**3,543.62**	**2,524.23**
Less: Closing stock	178.66	172.90	214.31
Cost of Raw Material consumed	**2,546.18**	**3,370.72**	**2,309.92**
Packing material:			
Opening stock	2.33	5.67	5.48
Add: Purchases	42.95	40.35	43.45
	45.28	**46.02**	**48.93**
Less: Closing stock	3.39	2.33	5.67
Cost of Packing material consumed	**41.89**	**43.69**	**43.26**
Total cost of material consumed	**2,588.07**	**3,414.41**	**2,353.18**

Note 26 - Change in Inventories of Finished Goods and Work in Progress

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock :			
Finished Goods	222.29	377.33	199.74
Work-in-Progress	90.29	119.16	190.77
Stock-in-trade	66.12	38.66	-
	378.70	**535.15**	**390.51**
Closing stock :			
Finished Goods	188.71	222.29	377.33
Work-in-Progress	60.01	90.29	119.16
Stock-in-trade	24.16	66.12	38.66
	272.88	**378.70**	**535.15**
Total change in inventories of finished good and work in progress	**105.82**	**156.45**	**(144.64)**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR Millions, unless otherwise stated)

Note 27 - Employee Benefits Expense

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Salaries, Wages and Bonus*	234.91	209.44	196.34
Contribution to Provident and Other Funds	10.18	12.46	10.63
Gratuity	3.32	3.59	3.47
Staff Welfare Expenses	5.67	6.97	7.96
Leave Compensation	11.99	4.48	5.91
Total employee benefits	**266.07**	**236.94**	**224.31**

(*Refer Note 35 for Related party transaction)

Note 28 - Finance costs

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Interest on financial liabilities at amortised cost			
- Interest on bank borrowings	16.02	55.13	65.27
- Interest unwinding on lease liabilities	1.36	0.66	0.40
- Interest on MSME payables	2.74	2.12	1.62
Interest paid on indirect taxes	0.69	0.52	-
Interest u/s 234A/B/C	3.38	10.56	0.66
Total Finance cost	**24.19**	**68.99**	**67.95**

Note 29 - Depreciation and Amortisation Expense

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Depreciation on property plant and equipment	92.92	90.65	94.46
Amortisation on intangible assets	0.26	0.25	0.29
Amortisation of right of use assets	9.18	6.82	6.77
Total depreciation and amortisation expense	**102.36**	**97.72**	**101.52**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Note 30 - Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Conversion Charges	218.53	176.25	144.83
Consumables & Fuel	107.73	119.38	83.63
Net loss on sale of investments	16.12	-	-
Net Loss arising on financial assets/ liabilities measured at FVTPL			
- Derivatives	-	22.99	-
- Investment	-	28.08	-
Rent, Rates & Taxes *	6.62	7.44	6.14
Repairs and Maintenance:			
- Plant and Equipment	32.12	23.19	16.56
- Buildings	10.91	12.00	2.54
- Others	1.70	2.59	0.73
Loss on sale of Assets / Disposed off (Net)	3.35	-	2.39
Foreign Exchange Fluctuations (Net)	1.89	-	-
Transportation Charges-Others	9.04	7.34	6.36
Electricity charges	61.16	66.24	62.06
Freight charges	104.97	92.55	43.79
Travelling and conveyance expenses	0.54	7.12	8.40
Factory Expenses	6.33	3.64	3.61
Professional consultancy and legal charges	13.25	18.80	9.12
Vehicle Maintenance	1.99	3.06	2.84
Bank charges	2.50	6.00	6.12
Sales promotion expenses	5.89	24.86	21.48
Stipend	4.38	5.90	7.49
Sales Commission	1.07	1.32	1.58
Printing & Stationery	0.41	1.40	1.65
Auditor's remuneration	2.11	0.56	0.47
IT and communication expenses	0.55	0.91	1.30
Insurance	11.10	9.70	0.43
Donation	0.84	0.25	0.75
Corporate Social Responsibilities	5.70	1.70	-
Miscellaneous expenses	9.19	8.72	28.80
Security Charges	4.82	3.78	3.26
Total other expenses	**644.81**	**655.77**	**466.33**

(*Refer Note 35 for Related party transaction)

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Payments to Auditor (included in Auditor's Remuneration):

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) As Auditor:			
-For Statutory Audit	0.80	0.43	0.33
-For Tax audit by erstwhile auditors	0.10	0.13	0.12
-For other certifications	1.20	-	-
(ii) In Other Capacities :			
- Reimbursement of out-of-pocket expenses	0.01	0.00	0.02
Total payment to auditors	**2.11**	**0.56**	**0.47**

CSR Expense

In terms of Section 135 of the Companies Act, 2013. a Corporate Social Responsibility (CSR) Committee has been formed by the Holding Company. The areas for CSR activities approved by the committee are (i) skills and livelihood (ii) education and (iii) discretionary items (iv) Donation to Prime Minister's National Relief Fund (PMNRF).

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the Holding Company during the year	5.29	0.47	1.34
b) Amount spent during the year on:			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	5.70	1.70	-
Total CSR Expenses	**5.70**	**1.70**	**-**

Research and development expenditure

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue expenditure	14.00	13.53	10.99
Capital expenditure	-	0.06	3.40
Total research and development expenditure	**14.00**	**13.59**	**14.39**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 31 Employee benefits

General description of defined benefit plans:
The Holding Company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with IND AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 million. The Holding Company's gratuity liability is funded(non-funded in 2018-19 and 2019-20) and leave encashment is non-funded.

i) The amount recognised in the Restated Consolidated Statement of Assets and Liabilities and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

a) Reconciliation of opening balances of defined benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Defined Benefit obligation at the beginning of the year	19.41	22.62	20.00
Current service cost	2.39	2.05	1.97
Interest cost	1.28	1.53	1.49
Actuarial gain/(loss)-other comprehensive income			
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(1.73)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.10	(2.28)	0.41
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.23	(1.04)	(0.48)
Past service cost	-	-	-
Benefit Payments from Employer	(1.20)	(1.74)	(0.77)
			-
Defined Benefit obligation at the end of the year	22.21	19.41	22.62

b) Reconciliation of opening and closing balances of fair value of plan assets

Particulars	As at March 31, 2021
Fair Value of plan assets at the beginning of the year	-
Investment income(interest income)	0.57
Employer contribution	16.82
Employer Direct Benefit Payments	1.20
Benefit Payments from Employer	(1.20)
Remeasurements- Return on Assets (Excluding interest income)	0.24
Fair Value of plan assets at the end of the year	17.63

c) Reconciliation of fair value of assets and obligations

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present value of Defined Benefit obligation	(22.21)	(19.41)	(22.62)
Fair Value of Plan Assets	17.63	-	-
Net asset/(liability)	(4.58)	(19.41)	(22.62)

d) Expenses recognized during the year (Under the head Employees Benefit Expenses)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
In income statement			
Current Service Cost	2.39	2.05	1.97
Net Interest Cost	0.71	1.53	1.49
Past Service Cost	-	-	-
Total expenses recognised during the period	3.10	3.58	3.46

e) Actuarial (Gain)/Loss- Other Comprehensive Income

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Actuarial (Gains)/Losses on Obligation For the Period	-0.09	5.05	0.08
Total actuarial (Gain)/Loss- Other comprehensive Income	-0.09	5.05	0.08

f) Net liabilities recognised in the Restated Consolidated Statement of Assets and Liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Long term	2.58	17.67	18.68
Short term	2.00	1.74	3.94
Total net liabilities recognised in the Restated Consolidated Statement of Assets and Liabilities	4.58	19.41	22.62

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

ii) **Actuarial assumptions**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Expected return on Plan Assets		NA	NA
Discount rate	6.77%	6.82%	7.07%
Salary growth	5.00%	5.00%	6.50%
Attrition rate	2.0% to 15.0%	2.0% to 15.0%	15.00%
Normal Retirement Age	60 yrs.	60 yrs.	60 yrs.
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.
The salary growth rate indicated above is the Holding Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

iii) **Sensitivity analysis**

Sensitivity Analysis	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Projected Benefit Obligation on Current Assumptions	22.21	19.41	22.62
Delta Effect of +1% Change in Rate of Discounting	-20.45	-17.83	-0.92
Delta Effect of -1% Change in Rate of Discounting	24.24	21.25	1.01
Delta Effect of +1% Change in Rate of Salary Increase	24.22	21.21	0.92
Delta Effect of -1% Change in Rate of Salary Increase	-20.44	-17.85	-0.86
Delta Effect of +1% Change in Employee Turnover	22.45	19.66	0.03
Delta Effect of -1% Change in Employee Turnover	-21.94	-19.14	-0.03

iv) **Maturity analysis**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Projected Benefits Payable in Future Years From the Date of Reporting			
1st Following Year	2.00	1.74	3.94
2nd Following Year	1.43	1.05	3.27
3rd Following Year	2.91	1.30	2.93
4th Following Year	1.32	2.74	2.64
5th Following Year	1.61	1.14	2.40
Sum of Years 6 To 10	9.32	8.24	9.29
Sum of Years 11 and above	-	-	8.24

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 32 Earning Per Share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Holding company by the weighted average number of equity shares outstanding during the year.

Earnings per equity share (before split of shares and bonus)
i. Profit attributable to equity holders of Holding company

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders of the Holding company	810.83	607.46	51.15
Profit attributable to equity holders of the Holding company for basic earnings	**810.83**	**607.46**	**51.15**

ii. Weighted average number of ordinary shares

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Issued ordinary shares at the beginning of the year	34,710	44,710	44,710
Less : Buyback of Equity Shares*	-	(4,426)	
Weighted average number of shares at the end of the year for basic EPS	**34,710**	**40,284**	**44,710**

Basic and diluted earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic and diluted earnings per share (Face value INR 100/share)	**23,360.13**	**15,079.52**	**1,144.04**

Earnings per equity share (after split of shares and bonus)
i. Profit attributable to equity holders of Holding Company

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders of the Holding Company	810.83	607.46	51.15
Profit attributable to equity holders of the Holding Company for basic earnings	**810.83**	**607.46**	**51.15**

ii. Weighted average number of ordinary shares

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Issued ordinary shares at the beginning of the year	5,03,29,500	6,48,29,500	6,48,29,500
Less : Buyback of Equity Shares*	-	-64,18,033	-
Weighted average number of shares at the end of the year for basic EPS	**5,03,29,500**	**5,84,11,467**	**6,48,29,500**

Basic and diluted earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic and diluted earnings per share (Face value INR 2/share)	**16.11**	**10.40**	**0.79**

As per Para 28 of Ind AS 33, Earnings Per Share, in case of bonus issue or a share split, the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. Weighted average number of equity shares have been considered accordingly.

The Company on March 27, 2021 issued 28 Bonus Shares for every outstanding shares and on March 30, 2021 has split the Rs. 100 equity share into 50 shares of Rs 2 each. Accordingly, the earnings per share has been adjusted for the Bonus and subdivision of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

*Numbers above refers to weighted average number of shares upto the period of buyback i.e 01 April 2019 to 22 October 2019 for buyback of 10,000 equity shares.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

Note 33 Segment reporting

The Holding Company's operations falls under single segment namely "Manufacturing of Specialised Chemicals", taking into account the risks and returns, the organization structure and the internal reporting systems.

Segment revenue from "Manufacturing of Specialised Chemicals" represents revenue generated from external customers which is attributable to the Holding Company's country of domicile i.e. India and external customers outside India as under:

All the non-current assets held by the Holding Company are located in India.

Geographical Revenue is allocated based on the Customers as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Local sales	1,631.38	2,086.26	1,181.59
Export sales	3,370.84	3,706.52	1,978.46
Total revenue from (sale of products)	5,002.22	5,792.78	3,160.05

Nil Customers in 2020-21 (Nil in 2019-20; One in 2018-19) contributed more than 10% of entity's revenue. The total revenue from such customer is given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Customer 1	-	-	607.69
Total	-	-	607.69

Note 34 Leases

Effective April 1, 2019, the Company adopted IND AS 116 - which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires information about leases for which the Holding Company is a lessee is presented below

A) Right of use assets- refer note 6A

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Restated Consolidated Statement of Profit and Loss.

B) Below are the carrying amounts of lease liabilities and the movements

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening balance	8.78	3.21	-
Transition impact of Ind AS 116		-	1.48
Addition	23.67	10.55	7.06
Finance cost during the year	1.36	0.66	0.40
Payment of lease liability	(8.56)	(5.64)	(5.73)
Total carrying amount of lease liabilities	25.25	8.78	3.21

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current	10.63	5.04	3.21
Non current	14.62	3.74	-
Total carrying amount of lease liabilities	25.25	8.78	3.21

The Holding Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Undiscounted Contractual maturities of Lease Liability:

Particulars	Within one year	between 1 to 3 years	Total
31 March 2021	10.63	14.62	25.25
31 March 2020	5.04	3.74	8.78
31 March 2019	3.21	-	3.21

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR Millions, unless otherwise stated)

Note 35 - Related Party Transactions

A Relationships where transaction occurred:

(I) Joint venture
M/s. Chhotalal Khambatta & Co. (Till - 28-02-2021)

(II) Company Under Common Control
M/s. Health India Insurance TPA Services Pvt Ltd (previously known as Health India TPA Services Pvt Ltd) (Till - 30-03-2021)

(III) Key Managerial Personnel
Mr Rushabh J Vora (Managing Director)
Ms.Priya R Vora (Executive Director) (W.e.f - 29-04-2019)
Mr Rajinder Harkara (Executive Director) (W.e.f - 07-12-2020)
Mr Navaneet Krishnan (Chief Financial Officer) (W.e.f - 02-11-2020)
Mr Bharat Kumar Dama (Company Secretary) (W.e.f - 23-03-2021)
Mr Purushottam P Agarwal (Whole Time Director) (Till - 01-03-2021)

IV) Individuals having significant influence
Mr Mitul J Vora - (Director)
Mr Jayant C Vora - (Director)

Enterprises owned or significantly influenced by key management personnel or their relatives

Entity having significance influence and control	**Partnership Firm under common control**
M/s. Bhaichand Amoluk Consultancy Services LLP	M/s. Bhaichand Amoluk & Co.

B Key management personnel compensation:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Short term employee benefits	29.22	21.99	19.46
Long term employee benefits- Compensated absences	-	0.05	1.17
Total	**29.22**	**22.05**	**20.63**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR Millions, unless otherwise stated)

C Transactions with related parties

The following table provides details of transactions that have been entered into with related parties for the relevant financial year:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Dividend paid (excluding dividend distribution tax)			
Mr Rushabh J Vora (Managing Director)	-	2.30	0.11
Mr Mitul J Vora	-	2.17	0.10
Mr Jayant C Vora	-	3.15	0.15
M/s. Bhaichand Amoluk Consultancy Services LLP	-	7.12	0.34
Other expenses			
Reimbursable income / (expenses) (Net)			
M/s. Bhaichand Amoluk Consultancy Services LLP	1.26	1.01	1.26
Sales of Investment			
Sale of Investment in Chhotalal Khambatta & Co. to Mr. Rushabh Vora and Mr. Mitul J Vora	0.88	-	-
Sale of Investment in HealthIndia Insurance TPA Services Pvt Ltd to Mr. Rushabh Vora and Mr. Mitul J Vora	8.48	-	-
Remuneration to key management personnel			
Mr Rushabh J Vora (Managing Director)	13.26	16.05	14.21
Ms.Priya R Vora (Executive Director)	3.50	-	-
Mr Rajinder Harkara (Executive Director)	3.53	-	-
Mr Navaneet Krishnan (Chief Financial Officer)	0.92	-	-
Mr Bharat Kumar Dama (Company Secretary)	0.03	-	-
Mr Purushottam P Agarwal (Whole Time Director)	3.92	3.49	3.07
Rent paid to key management personnel	-	-	-
Mr Rushabh J Vora (Managing Director)	1.40	-	-
Ms.Priya R Vora (Executive Director)	1.40	-	-
	-	-	-
Perquisites to key management personnel	-	-	-
Mr Rushabh J Vora (Managing Director)	4.06	2.46	2.18

Note: Above figures do not include transaction in nature of reimbursement

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

C Outstanding balance at year end

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Other Investments			
M/s. Health India Insurance TPA Services Pvt Ltd	-	24.94	52.95
.			
Investment in Joint venture			
Chhotalal Khambatta & Co.	-	0.82	0.83
Reimbursable income / (expenses) (Net)			
M/s. Bhaichand Amoluk Consultancy Services LLP	0.08	0.06	0.06
Director's Remuneration Payable	-	-	0.72

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Note 36 - Tax Expense/(Income)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Current Tax Expenses			
Current Tax on Profits for the year	285.62	230.25	12.56
Adjustments for current tax of prior periods	7.75	21.97	-
Total Current Tax Expense	**293.37**	**252.22**	**12.56**
(b) Deferred Tax Expense/(Income)			
In respect of current year	7.50	(1.14)	12.26
Total Deferred Tax Expense	**7.50**	**(1.14)**	**12.26**
(c) Amounts recognised in other comprehensive income			
Defined benefit plan			
Tax (expense)/Income	0.02	(1.27)	-0.03
Tax expense (A+B+C)	**300.89**	**249.81**	**24.79**
(d) Reconciliation of effective tax rate	**25.17%**	**25.17%**	**33.38%**
Profit Before Tax	**1,111.70**	**858.54**	**75.97**
Tax using Holding Company's domestic tax rate	279.79	216.08	25.36
Add Tax Effect on amounts which are not deductible (taxable) in calculating taxable income:			
Adjustments for Current tax of prior periods	7.75	21.97	-
Inadmissible expenses & Income not included	38.97	26.77	36.12
Deductible expenditure & income to be excluded	(39.14)	(18.83)	(30.58)
Brought forward losses set off	-	(7.04)	(25.96)
Share of profit of equity accounted investees	(0.17)	0.17	0.21
Items on which deferred tax not created	(1.56)	(0.96)	(1.13)
Reversal of MAT credit	16.00	16.00	12.56
Effects of changes in tax rate	-	(0.68)	-
Rectification of error in deferred tax including MAT	-	0.24	8.07
Interest u/s 234A/B/C	(0.85)	(2.66)	(0.22)
Others	0.10	(1.25)	0.36
Tax Expense	**300.89**	**249.81**	**24.79**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Movement in deferred tax balances

Deferred Tax Assets/ (Liabilities)	Net balance 31 March, 2020	Recognised in profit or loss	Recognised in OCI	As at March 31, 2021
Deferred tax liability				
Property, plant and equipment	22.41	(8.33)	-	14.08
Sub total(a)	**22.41**	**(8.33)**	**-**	**14.08**
Deferred Tax Assets				
Arising out of disallowances in Income-Tax	2.32	(1.35)	-	0.97
Provision for Employee benefits	8.07	(1.44)	0.02	6.65
Others	13.16	(13.04)	-	0.12
Sub total(b)	**23.55**	**(15.83)**	**0.02**	**7.74**
Deferred tax asset/(liability) (Net)	**1.14**	**(7.50)**	**0.02**	**(6.34)**

Deferred Tax Assets/ (Liabilities)	Net balance 31 March, 2019	Recognised in profit or loss	Recognised in OCI	As at March 31, 2020
Deferred tax liability				
Property, plant and equipment	38.63	(16.22)	-	22.41
Sub total(a)	**38.63**	**-16.22**	**-**	**22.41**
Deferred Tax Assets				
MAT credit	16.00	(16.00)	-	-
Arising out of Carry forward loss	12.57	(12.57)	-	-
Arising out of disallowances in Income-Tax	3.32	(1.00)	-	2.32
Provision for Employee benefits	10.76	(3.97)	1.27	8.07
Others	-2.75	15.91	-	13.16
Sub total(b)	**39.90**	**(17.63)**	**1.27**	**23.55**
Deferred tax asset/(liability) (Net)	**1.27**	**(1.41)**	**1.27**	**1.14**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR Millions, unless otherwise stated)

Deferred Tax Assets/ (Liabilities)	Net balance 01 April , 2018	Recognised in profit or loss	Recognised in OCI	As at March 31, 2019
Deferred tax liability				
Property, plant and equipment	44.62	(5.99)	-	38.63
Sub total(a)	**44.62**	**-5.99**	**-**	**38.63**
Deferred Tax Assets				
MAT credit	3.44	12.56	-	16.00
Arising out of Carry forward loss	38.53	(25.96)	-	12.57
Arising out of disallowances in Income-Tax	1.84	1.48	-	3.32
Provision for Employee benefits	9.11	1.68	-0.03	10.76
Others	5.25	-8.00	-	-2.75
Sub total(b)	**58.17**	**-18.24**	**-0.03**	**39.90**
Deferred tax asset/(liability) (Net)	**13.55**	**(12.25)**	**(0.03)**	**1.27**

Deferred Tax Assets and Deferred Tax Liabilities have been offset because they related to the same governing taxation laws.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 37 Contingent liabilities, contingent assets and commitments

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a) Claims against the Holding Company not acknowledged as debts towards:			
Disputed Income Tax Claims against the Company not acknowledged as debts currently awaiting to file appeal under 'Penalty proceedings on account of disallowance under Section 35(2AB)A.Y. 2018-19	1.62	-	-
Disputed Income Tax Claims against the Company not acknowledged as debts currently under appeal/sub-justice 'Penalty proceedings on account of disallowance under Section 35(2AB)A.Y. 2017-18	0.63	-	-
Disputed Income Tax Claims against the Company not acknowledged as debts currently under appeal/sub-justice 'Penalty proceedings on account of disallowance under Section 35(2AB)A.Y. 2014-15	0.14	-	-
b) Litigations / claims against the Holding Company by landlord			-
Vikhroli office land lord has sent a demand for arrears of rent which the holding company has not acknowledged as debt	0.74	0.74	0.74
c) Commitments			
Guarantee given by bank	7.24	6.84	1.35
Estimated amount of contracts remaining to be executed on capital account	2.23	31.11	8.65

Note 38 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2021, March 31, 2020, and March 31, 2019 is as follows

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019		Level
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	
Financial asset at amortised cost							
Trade receivables	780.12	780.12	1,195.40	1,195.40	828.15	828.15	Level 3
Loans	3.96	3.96	5.07	5.07	9.69	9.69	Level 3
Other financial assets	9.60	9.60	0.29	0.29	5.64	5.64	Level 3
Cash and cash equivalents	587.53	587.53	3.03	3.03	1.13	1.13	Level 3
Financial asset at FVTPL							
Non-current investments-Quoted	0.08	0.08	0.05	0.05	0.13	0.13	Level 1
Non-current investments-Unquoted	-	-	24.94	24.94	52.95	52.95	Level 3
Current investments	20.01	20.01	-	-	-	-	Level 1
Derivative asset	2.79	2.79	0.90	0.90	2.82	2.82	Level 2
Total financial assets	1,404.09	1,404.09	1,229.68	1,229.68	900.51	900.51	
Financial liabilities at amortised cost							
Borrowings	42.50	42.50	449.70	449.70	890.15	890.15	Level 3
Trade payables	486.56	486.56	832.80	832.80	792.74	792.74	Level 3
Other financial liabilities	111.95	111.95	99.53	99.53	108.50	108.50	Level 3
Lease liability	25.25	25.25	8.78	8.78	3.21	3.21	Level 3
Financial liabilities at FVTPL							
Derivative liability	-	-	21.04	21.04	-	-	Level 2
Total financial liabilities	666.26	666.26	1,411.85	1,411.85	1,794.60	1,794.60	

The above table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value and carrying amount is a reasonable approximation of fair value.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

Risk management
In the course of its business, the Holding Company is exposed to a certain financial risks namely market risk, credit risk, interest risk, currency risk & liquidity risk. The Holding Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the risk management policy which has been approved by Board of Directors of the Holding Company.

i) Market risk
Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Holding Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

a) Currency risk
The Holding Company's exposure to currency risk relates primarily to the Holding Company's operating activities including anticipated sales & purchase and borrowings where the transactions are denominated in foreign currencies. The Holding Company's foreign currency exposures are managed within approved parameters. The Holding Company hedges its foreign currency risk mainly by way of forward contracts.

The carrying amounts of the Holding Company's foreign currency exposure at the end of the reporting period are as follows

Financial assets- Trade receivables and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
USD	33,51,750	76,79,221	41,24,965
Euro	2,15,267	17,67,213	2,26,507
Total foreign currency exposure	35,67,017	94,46,434	43,51,472

Financial liabilities- Borrowings and Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
USD	9,06,003	43,84,712	54,45,482
Euro	1,16,984	43,155	-
Total foreign currency exposure	10,22,987	44,27,867	54,45,482

Foreign currency sensitivity analysis
A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of Holding Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Impact on Restated Consolidated Statement of Profit and Loss

Particulars	Increase			Decrease		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
USD	8.98	12.42	(4.57)	(8.98)	(12.42)	4.57
Euro	0.42	7.16	0.88	(0.42)	(7.16)	(0.88)

Foreign exchange derivative contracts
The Holding Company uses derivative financial instruments exclusively for hedging the financial risks that arise from its commercial business or financing activities. The Holding Company 's finance team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of projected sales, purchases and capital expenditures.

When a derivative contract is entered for the purpose of hedging, the Holding Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

For hedges of projected transactions, the derivatives cover the period of exposure from the point the cash flows of the said transactions are projected to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The Forward exchange contracts entered into by the Holding Company and outstanding are as under:

Particulars	No. of contracts	Type	USD Equivalent in	EURO Equivalent in	INR Equivalent in	MTM Rs. in
March 31,2021	19	Sell	35,40,173	3,18,709	289.75	2.16
March 31,2020	33	Sell	61,23,698	22,57,103	632.99	(20.13)
March 31,2019	9	Sell	16,00,000	-	113.76	2.82

The above forward contracts are presented as "Other financial asset and Other financial liabilities" in the Restated Consolidated Statement of Assets and Liabilities.

The holding Company has currency swap outstanding as at 31 March 2021 whose details are as under:

Particulars	EURO Equivalent in	MTM Rs. in
EURO Swap	10,59,443	0.63

Unhedged Currency Risk position :
Financial assets

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Foreign currency	INR Equivalent in	Foreign currency	INR Equivalent in	Foreign currency	INR Equivalent in
Trade receivables						
EURO	-	-	-	-	2,26,507	17.61
USD	-	-	15,55,148	117.24	25,24,591	174.90
Cash and cash equivalents						
USD	375	0.03	375	0.03	375	0.03

Financial liabilities

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Foreign currency	INR Equivalent in	Foreign currency	INR Equivalent in	Foreign currency	INR Equivalent in
Trade payables						
USD	9,06,003	66.53	14,90,656	112.37	25,51,426	176.76
EURO	1,16,984	10.07	43,155	3.58	-	-
Borrowings - Buyers credit						
USD	-	-	11,35,165	84.33	11,35,165	84.33
Borrowings - Bill discounting						
USD	-	-	17,58,892	125.38	17,58,892	125.38

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR million, unless otherwise stated)

b) Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Holding Company's net income or financial position. Given that the Holding Company's borrowings are floating rate loans, the Holding Company is not exposed to any interest rate risk on account of fluctuation of market interest rates.

Particulars	Increase by 1%			Decrease by 1%		
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Variable rate instrument	(0.08)	(0.18)	(0.22)	0.08	0.18	0.22

c) Other market risk

The Holding Company is exposed to equity price risk which arises from equity instruments classified as FVTPL. The Holding Company's aim is to maximise investment returns.

ii) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Holding Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

To manage trade receivables, the Holding Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables. Credit risk from balances with banks and financial institutions is managed by the Holding Company's treasury department in accordance with the Holding Company's policy.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end, thus no provision for expected credit losses have been made in this regard.

Concentration of credit risk with respect to trade receivables are limited, due to the Holding Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

The Holding Company estimates its allowance for trade receivable using expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Restated Consolidated Statement of Profit and Loss within other expenses.

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade receivables	780.12	1,195.40	828.15
Allowances for credit losses	-	-	-

Other than financial assets mentioned above, none of the Holding Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur. The counterparties in trade receivables are companies with good credit standing and in absence of past defaults the Holding Company has not made any provision for ECL.

iii) Liquidity risk management

Liquidity risk is the risk of non-availability of financial facilities available to the Holding Company to meet its financial obligations. The Holding Company's objective is to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy.

The Holding Company manages its liquidity by holding appropriate volumes of liquid assets which are available by maintaining open credit lines with banks / financial institutions.

The table below analyse the Holding Company's financial liabilities into relevant maturity based on their contractual maturities:

Particulars	Within one year	between 1 to 3 years	Between 4 to 5 years	Beyond 5 years	Total
March 31,2021					
Borrowings	50.00	42.50			92.50
Trade payables	486.56	-	-	-	486.56
Other financial liabilities	61.95	-	-	-	61.95
Lease liability	10.63	14.62			25.25
Total Financial liabilities	**609.14**	**57.12**	-	-	**666.26**
March 31,2020					
Borrowings	385.20	95.10	28.20	-	508.50
Trade payables	832.80				832.80
Other financial liabilities	61.77				61.77
Lease liability	5.04	3.74			8.78
Total Financial liabilities	**1,284.81**	**98.84**	**28.20**	-	**1,411.85**
March 31,2019					
Borrowings	762.50	117.60	60.10	4.40	944.60
Trade payables	792.74				792.74
Other financial liabilities	54.05				54.05
Lease liability	3.21	-			3.21
Total Financial liabilities	**1,612.50**	**117.60**	**60.10**	**4.40**	**1,794.60**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements

(All amounts are in INR million, unless otherwise stated)

iv) Master netting agreements

The Holding Company enters into derivative transactions under International Swap and Derivative Association (ISDA) master netting agreements. In general under such agreements, the amount owned by each counterparty on a single day in respect of all outstanding transactions in the same currency are aggregated into single amount that is payable by one counterparty to the other. In certain circumstances, e.g. credit default, all the outstanding transactions under the agreement are terminated, the terminated value is assessed and only a single amount is payable in the settlement of all the transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the restated consolidated statement of assets and liabilities. This is because the Holding Company does not have any currently enforceable right to offset recognised amounts, because the right to offset in enforceable only in case of default.

Note 39 - Fair value disclosures

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Holding Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31 2021, March 31 2020 and March 31 2019.

Particulars	Fair value			
	Fair value hierarchy	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Derivatives				
Forward contracts	Level 2	2.16	-20.14	2.82
Swap	Level 2	0.63	-	-
Non-current investments (FVTPL)				
Hindustan Aluminium Industries Ltd	Level 1	0.05	0.05	0.11
Shree Rama Multi Tech Ltd	Level 1	0.03	-	0.02
Health India Insurance TPA Services Pvt Ltd	Level 3	-	24.94	52.95
Current investments (FVTPL)				
60,767 units of Aditya Birla Sun Life Liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus)	Level 1	20.01	-	-

Valuation techniques and Key inputs for level 2 and level 3 financial instruments

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contracts and swap	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency	Not applicable	Not applicable
Non-current investment in Health India Insurance TPA Services Pvt Ltd	Valuation model considers average of PE multiple and PB ratio discounted using 15% DLOM (Discount on Lack of Marketability)	Fair value has been calculated by giving equal weightage to PE multiple and PB ratio discounted using illiquidity discounting rate	The estimated fair value would increase / (decrease) if there is a change in the PE multiple and/or PB ratio

Note 40 Capital management

The Holding Company manages its capital to ensure that the Holding Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.
The capital structure of the Holding Company consists of net debt (borrowings as detailed in Note 18 offset by cash and bank balances) and total equity of the Holding Company.
The Holding Company is not subject to any externally imposed capital requirements.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total equity (A)	1,833.34	1,022.53	584.75
Borrowing	92.50	508.50	944.60
Less: Cash and bank balances	587.53	3.03	1.13
Net debt (B)	-495.03	505.47	943.47
Gearing ratio (B/A)	-0.27	0.49	1.61

Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts), as described in Note 18.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Notes to Consolidated Financial Information (continued)

(All amounts are in INR million, unless otherwise stated)

Note 41 - Interest in equity accounted entities
Chhotalal Khambhata & Co is joint venture of the Holding Company. The Holding Company had a 45% stake in the partnership firm.

Vora Oxides Private Limited was formed in 1983 and is dormant during the period. The Holding Company has impaired its investments in the associate in full to the extent of carrying value. The Holding Company holds 25% stake in the Company and was sold during 2020-21. This investment was fully provided for all the periods reported and the total loss provided is restricted to the total investment made by the Holding Company as per Ind AS 28 and hence not equity accounted.
Summarised financial information of the Joint Venture and reconciliation with the carrying amount of the investment in Consolidated Financial Information are set out below:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Percentage ownership interests-Chhotalal Khambhata & Co	-	45%	45%
Percentage ownership interests-Vora Oxides Pvt Ltd	-	25%	25%
Non-current assets			
Property, plant and equipment	-	0.18	0.20
Investments	-	0.12	0.16
Current assets			
Cash and Cash Equivalents	-	0.00	0.00
Bank Balances other than above	-	1.60	1.54
Other Financial Assets	-	0.00	0.02
Other assets	-	0.00	0.02
Non-current liabilities			
Current liabilities		-	-
Other Financial Liabilities	-	0.00	0.01
Net assets	-	**1.90**	**1.95**
Holding company's share of Net assets	-	**0.82**	**0.83**
Carrying value of interests in equity accounted investees	-	**0.82**	**0.83**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Percentage ownership interests-Chhotalal Khambhata & Co	**45%**	**45%**	**45%**
Percentage ownership interests-Vora Oxides Pvt Ltd	**0%**	**25%**	**25%**
Revenue from Operations	0.12	0.16	0.32
Other Income	-	0.00	0.00
Depreciation and Amortisation Expense	-	(0.02)	(0.02)
Other Expenses	(0.06)	(0.16)	(0.18)
Current Tax	-	(0.01)	(0.00)
Tax adjustment for prior periods	-	(0.01)	-
Profit	**0.06**	**(0.04)**	**0.12**
Other Comprehensive Income	-	-	-
Total comprehensive income	**0.06**	**(0.04)**	**0.12**
Holding Company's share of Total Comprehensive Income*	**0.03**	**(0.02)**	**0.05**

*Profit up to the date of divestment
The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VI - Notes to Restated Consolidated Financial Information (continued)

(All amounts are in INR Millions, unless otherwise stated)

Note 42 - Divestment of interest in Joint Venture

During year ended 31 March 2021, the Holding Company has sold its investment in joint venture, Chhotalal Khambata & Co a partnership firm. The details of consideration received, assets and liabilities over which control was lost (net asset disposed off) and profit on disposal recorded in financial statement is as follows:

Particulars	**On the date of divestment**
Consideration received	
Fair value of consideration received	0.88
Share in net assets	
a) Non-current assets	
Property, plant and equipment	
Investments	1.36
b) Current assets	-
Cash and Cash Equivalents	0.00
Bank Balances other than above	0.42
Other Financial Assets	0.02
Other assets	0.01
Total assets (a+b)	**1.81**
c) Non-current liabilities	
d) Current liabilities	
Other Financial Liabilities	0.02
Total liabilities (c+d)	**0.02**
Net assets	**1.79**
Holding Company's share in net assets	**0.84**
Profit on disposal of Joint venture	**0.03**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

(All amounts are in INR Millions, unless otherwise stated)

Note 43 - Subsequent events

1. Pursuant to the approval of the Members granted at the extraordinary general meeting held on June 19, 2021, the registered office of the Company has been changed from Commercial Union House, 2nd Floor, 9, Wallace Street, Fort, Mumbai- 400001, Maharashtra to Plot No. 3-C, MIDC Taloja, Tal- Panvel, Dist- Raigad, Navi Mumbai- 410208, Maharashtra.

2. The Board of Directors by the resolution dated June 19, 2021 have approved the appointment of Mr. Prakash Vasantlal Mehta, Mr. Chetan Rameshchandra Desai, Mr. Aditya Premal Kapadia and Mrs. Girija Balakrishanan, as Independent Directors of the Company, which was subsequently approved by the Members at the Extra-ordinary general meeting held on June 24, 2021.

3. The status of the company is converted from Private Limited to a Public Limited vide SRN:T30020564 dated July 08, 2021. Accordingly, the name of the Company has been changed to Chemspec Chemicals Limited from Chemspec Chemicals Private Limited. Further, Corporate Identification Number (CIN) of the Company has been changed from U24114MH1975PTC018665 to U24114MH1975PLC018665

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VII - Transition to Ind AS

(All amounts are in INR million, unless otherwise stated)

The consolidated summary statements of the Holding Company as at and for the year ended 31 March 2019, is prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Consolidated Financial Statements for the year ended 31 March 2019 the Holding Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., 1 April 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the consolidated summary statements for the year ended 31 March 2019 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e., 1 April 2018).

This note explains the adjustments made by the Holding Company in restating its financial statements prepared under Previous GAAP, including the Restated Consolidated Statement of Assets and Liabilities as at 1st April, 2018 and the financial statements as at and for the year ended 31st March, 2019.

A. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Holding Company has elected to apply the following optional exemptions from retrospective application:

(i) Deemed cost for property, plant and equipment and intangible assets

The Holding Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Mandatory Exceptions from retrospective application

The Holding Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Holding Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Holding Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)

Annexure VIIA - Statement of Adjustment to the Audited consolidated Financial statements

(All amounts are in INR million, unless otherwise stated)

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101.

(i) Reconciliation of equity

Particulars	As at April 01, 2018
Equity under Previous GAAP*	570.93
Summary of Ind AS adjustments (A)	-
Accounting for financial instruments at fair value	12.65
Deferral of revenue	(15.00)
Equity pickup of Joint venture ('JV') due to Ind AS	(0.50)
Fair valuation of interest free security Deposit at initial recognition	(0.01)
Amortisation of lease expense as per Ind AS 116	(3.40)
Deferred tax assets on above adjustments	1.92
Total Ind AS adjustments	**(4.34)**
Correction of errors	
Employee benefits - Provident fund, leave encashment and gratuity	(27.28)
Deferred tax computation under Previous GAAP	(2.25)
MAT credit utilisation	(4.89)
Recognition of MEIS	(10.00)
Inventory valuation	-
Interest on MSME payables accounted	-
Deferred tax assets on above adjustments	12.45
	(31.97)
Equity as per Restated Consolidated Statement of Assets and Liabilities	**534.62**

* Audited by previous auditor.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)

Annexure VIIA - Statement of Adjustment to the Audited consolidated Financial statements

(All amounts are in INR million, unless otherwise stated)

Summarised below are the adjustments made to the audited consolidated financial statements for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and their impact on the profit of the Holding Company:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Equity as per Audited Consolidated Ind AS financial statements	1,833.34	-	-
Equity as per Audited Special Purpose Consolidated Ind AS financial statements	-	1,022.53	587.89
Add:(Less) Adjustments			
1. Impact of Ind AS 116			
(a) Depreciation on right-of-use assets	-	-	(23.61)
(b) Finance cost on lease liability	-	-	(2.65)
(c) Other expenses	-	-	21.54
			-
2. Deferred tax impact	-	-	1.58
Equity as per Restated Consolidated Statement of Assets and Liabilities	**1,833.34**	**1,022.53**	**584.75**

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total comprehensive income as per Audited consolidated financial Statements	810.76	-	-
Total comprehensive income as per Audited Special Purpose consolidated financial Statements	-	611.24	52.02
Add:(Less) Adjustments			
1. Impact of Ind AS 116			
(a) Depreciation on right-of-use assets	-	-	(6.65)
(b) Finance cost on lease liability	-	-	(0.40)
(c) Other expenses	-	-	5.79
2. Deferred tax impact	-	-	0.44
Profit as per Restated Consolidated Statement of Profit and Loss	**810.76**	**611.24**	**51.20**

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

Chemspec Chemicals Limited (formerly known as Chemspec Chemicals Private Limited)
Annexure VII - Transition to Ind AS

(All amounts are in INR million, unless otherwise stated)

1. Impact of Ind AS 116
As per Para C8 to Appendix C to Ind AS 116, if a lessee elects to apply this standard in accordance with paragraph C5(b), the lessee shall:

a) recognise a lease liability as at the date of initial application of leases previously classified as operating lease applying Ind AS 17. The lessee shall measure the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

b) recognise a right of use asset the date of initial application for leases previously classified as operating lease applying Ind AS 17. The lessee shall choose, on a lease by lease basis, to measure that right of use asset at either:

(i) its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.
(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the initial application.

For the purpose of preparation of Restated Consolidated Summary statements, management has evaluated the impact of change in accounting policy on adoption of Ind AS 116for each of the year ended March 31, 2021, March 31, 2020 and March 31, 2019. Hence in these Restated Consolidated Summary statements Ind AS 116 has been adopted from April 1, 2018 followed by full retrospective approach. However in the audited Special Purpose consolidated financial statements for year ending March 31, 2019 Ind AS 17 remains effective.

2. Deferred tax
Deferred tax has been created on temporary difference arising on recognition and measurement of right-of-use asset and liability.

The above statement should be read with Basis of Preparation and Significant Accounting Policies appearing in Annexure - V, Statement of Adjustment to the audited Consolidated Financial Statements in Annexure VII.

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(in ₹ million, except otherwise stated)

	Particulars	**As at March 31, 2021**	**As at March 31, 2020***	**As at March 31, 2019***
A.	Net worth attributable to equity shareholders	1,833.34	1,022.53	584.75
B.	Profit attributable to the equity shareholders	810.83	607.46	51.15
C.	Weighted average number of equity shares outstanding during the year	50,329,500	58,411,467	64,829,500
D.	Weighted average number of dilutive potential equity shares outstanding during the year	50,329,500	58,411,467	64,829,500
E.	Number of equity shares outstanding at the year end	50,329,500	50,329,500	64,829,500
F.	Accounting Ratios			
	Basic Earnings per share (B/C)	16.11	10.40	0.79
	Diluted Earnings per share (B/D)	16.11	10.40	0.79
	Return on Net worth for Equity shareholders (B/A)	44.23%	59.41%	8.75%
	Net Asset value per share (A/E)	36.43	20.32	9.02
G.	EBITDA			
	EBITDA	1,238.25	1,025.25	245.44
	EBITDA Margin (%)	24.48%	17.18%	7.53%

**The values have been adjusted post taking into account of the split from face value of ₹100 to ₹2.*

Notes:

1. *The above statement should be read with the notes on restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated statement of cash flows.*

2. *Pursuant to shareholders' resolution passed in extra general meeting ("**EGM**") held on March 27, 2021, to issue bonus in the ratio of 28:1 i.e., 28 shares for each equity share held by the shareholders.*

   Pursuant to shareholders' resolution passed in the EGM on March 30, 2021, the equity share capital of the Company (authorised, issued and paid up) was subdivided from ₹100 per equity share to ₹2 per Equity Share. The record date for the bonus and share split is March 25, 2021.

3. *The ratios have been computed as follows:*

   $$\text{Earnings per share (Basic)} = \frac{\text{Restated consolidated profit for the year available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

   $$\text{Diluted earnings per share (Basic)} = \frac{\text{Restated consolidated profit for the year available for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$$

   $$\text{Return on net worth(\%)} = \frac{\text{Restated consolidated profit for the year available for equity shareholders}}{\text{Restated consolidated net worth at the end of the year}}$$

   $$\text{Net asset value per share (₹)} = \frac{\text{Net worth attributable to equity shareholders}}{\text{Number of equity shares outstanding at the year end}}$$

   Earnings per share and Net asset value per share also have been adjusted for all the periods presented after giving effect to allotment of bonus shares in the ratio of 28 equity share for every 1 equity share and subdivision of equity shares from face value of ₹100 each to ₹2 each.

4. *Net worth for ratios mentioned in note D above is= Equity share capital + Other equity*

5. *Earnings per share calculations are in accordance with Ind AS 33 - Earning Per Share*

6. *EBITDA: Aggregate of restated profit/(loss) after tax, tax expense, finance cost and depreciation and amortisation less the other income for the year/ period*

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2021, 2020 and 2019 (collectively, the "**Audited Financial Statements**") and the audited standalone special purpose Ind AS financial statements of our Company for Fiscals 2021, 2020 and 2019 (collectively, the "**Special Purpose Ind AS Financial Statements**") are available on our website at https://chemspec.co.in/financials/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Related party transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., *Ind AS 24 - 'Related Party Disclosures*' for as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 and as reported in the Restated Financial Statements, see "*Restated Financial Statements – Note 35 – Related Party Transactions*" on page 237.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Restated Financial Statements*" and "*Risk Factors*" on pages 257, 181 and 21, respectively.

(in ₹ million, except ratios)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the proposed Offer*
Borrowings		
Current borrowings # **(A)**	0.00	**[●]**
Non-current borrowings (including current maturities of long-term borrowings) # **(B)**	92.50	**[●]**
Total borrowings (C)	**92.50**	**[●]**
Total Equity		
Equity share capital	100.66	**[●]**
Other Equity #	1,732.68	**[●]**
Non-controlling interest	-	**[●]**
Total Equity (D)	**1,833.34**	**[●]**
Total Borrowings/ Total Equity (C/D)	**0.05**	**[●]**
Non-current Borrowings (including current maturities of long-term borrowings)/ Total Equity (B/D)	**0.05**	**[●]**

* *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

These terms carry the same meaning as per Schedule III of the Companies Act.

Note: The above has been derived from the Restated Financial Statements

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

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements on page 181.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 15. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations" on pages 21 and 259, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless the context requires otherwise, the following discussion and analysis of our financial condition and results of operations as of and for Fiscals 2021, 2020 and 2019 is derived from our Restated Financial Statements, including the related notes, which have been derived from our audited consolidated financial statements for the year ended 2021 and audited special purpose consolidated Ind AS financial statements for the years ended 2020 and 2019, these are restated in accordance with the SEBI ICDR Regulations and ICAI guidance, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Restated Financial Statements" on page 181.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Independent Market Report – India Chemicals and Speciality Chemicals Market Report" dated July 14, 2021, prepared and released by Frost & Sullivan, which has been commissioned and paid for by our Company (the "Frost & Sullivan Report"). Unless otherwise indicated, all industry and other related information mentioned in this section is derived from the Frost & Sullivan Report. For more information, see "Risk Factors– Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. Neither we, nor the BRLMs, nor any other person connected with the offer independently can assure that such third-party statistical, financial and other industry information is either complete or accurate." on page 42. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 13.

Overview

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). We are amongst the top 4 manufacturers globally of the products across our product basket. We are one of the largest manufacturers of UV absorbers globally and are among the top two global manufacturers of personal care ingredients catering to skin and hair care. We are also the largest manufacturer of 'piroctone olamine' in India and are the largest producer of 'chemilide' (an anti-bacterial ingredient) in the world with an approximate market share of 70% (*Source: Frost & Sullivan Report*). We manufacture our products at our production facility at Taloja, Maharashtra, which has been audited and approved by the United States Food and Drug Administration ("**US FDA**"), making us amongst a few global companies in the pharmaceutical intermediates and FMCG segments that is registered with US FDA, which has, in turn, helped boost our reach and business with leading American brands (*Source: Frost & Sullivan Report*). Since incorporation over 40 years ago, we have significantly expanded our business and scale of operations. In the last three Fiscals, our global distribution network was spread across 43 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa.

Under our FMCG segment, we manufacture UV filters which are used as the primary ingredient in sunscreens, vitamins used in skin care, fairness and anti-ageing creams and ingredients used antibacterial soaps and handwashes. We are the largest producer in India and among the top three suppliers of UV filters across the globe (*Source: Frost & Sullivan Report*). Further, we also manufacture molecules used in anti-dandruff shampoos. Such molecules include "piroctone olamine", which has anti-fungal properties and help reduce erythema, scaling and aids with folliculitis spinulosa decalvans ("**FSD**"). We are among the two largest global manufacturers and the largest Indian manufacturer of piroctone olamine (*Source: Frost & Sullivan Report*). Our customers in the FMCG segment include leading multinational corporates such as Beiersdorf AG, Unilever Supply Chain Company AG, L'Oreal, DSM Nutritional Products Limited, Godrej Consumers Products Limited, etc., with several of whom our relationship extends to over several decades. For Fiscals 2021, 2020 and 2019, our revenue from the FMCG product group was ₹4,335.41 million, ₹5,148.52 million and ₹2,836.58 million, which was 86.67%, 88.88% and

89.76%, respectively, of our revenue from operations (sale of products) during such periods.

As part of our pharmaceuticals segment, we manufacture intermediates for sartans, which is relatively new group of pharmaceutical drugs used to treat hypertension. Customers in this segment include producers of sartan intermediates in India as well as globally, such as Glenmark Life Sciences Limited, Dr. Reddy's Laboratories Limited, CTX Lifesciences Private Limited, USV Private Limited, etc., with whom our relationship extends between five to 20 years. For further details, see "*Business – Our Customers - In the pharmaceutical segment*" on page 141. For Fiscals 2021, 2020 and 2019, our revenue from the pharmaceutical segment was ₹666.81 million, ₹644.26 million and ₹323.47 million, which was 13.33%, 11.12% and 10.24%, respectively, of our revenue from operations during such periods.

Our experience in the industry and long-standing relationships with the above mentioned clients along with stringent regulatory approvals required in order to conduct this business acts an entry barrier. Entry barriers also include high cost of product development, complexity of the chemistry involved in manufacturing, time and cost involved in developing technologies and lengthy supplier qualification process. We have built up goodwill with our customers over the years and in close collaboration with them, we have been able to innovate and develop technologies that can be applied effectively to the end products for improving product performance. As a manufacturer of critical chemical additives, it is imperative for our products to be approved and certified by customers, which is demonstrated through our long standing relationship with such customers. During such period we have also collaborated on complex chemistries, aimed at product customisation and innovation, in order to develop products based on our client's specific requirements. The allied benefits of such long standing relationships have also resulted in sustained growth and success and it also acts a significant entry barrier.

We remain focussed on research and development (R&D) and invest on product development. We continuously monitor industry trends to ensure that our products remain relevant in helping our customers meet the evolving market demands and enhance their brand value. Through our R&D initiatives, we undertake collaborative product development with our customers, which enables us to customize our products in line with customer expectations and consumer preferences, whilst simultaneously ensuring shorter lead-times. For further details of our R&D initiatives, please see "*Our Business – Competitive Strengths - Continuous R&D and process improvement to drive product development" on page 138.*

We manufacture our products at our facility at Taloja, Maharashtra. As of March 31, 2021, our facility had a production capacity of 6,000 TPA. We also propose to expand our manufacturing capacities, in order to address the growing demand for existing as well as newer products. For further details, see "*Our Business – Strategies*" on page 139. From March 31, 2019 to March 31, 2021, we increased our capacities from 4,500 TPA to 6,000 TPA. For further information, see "*Our Business – Total capacity and capacity utilisation*" on page 142. Our facility is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified, and has also received 'Halal' certification and ICHQ7 certification. Our facility has also been audited and approved by the US FDA and continues to be subject to periodic audits by the US FDA. Our facility is also subject to periodic audits by our customers, which ensures that the regulator and our customers are able to confirm the continuance of quality of our facility and processes. At the location of our manufacturing facility, we also have established our laboratory and R&D facility, which is approved by the Department of Scientific and Industrial Research, Government of India. Further, we have established a "pilot plant" at the same site, which enables trial runs of new production processes and products prior to commencement of commercial production. The effluent treatment comprises of a physio – chemical treatment, which precedes activated sludge process and tertiary treatment. We have also installed a four stage multiple evaporator system, followed by a process in our reverse osmosis plant. We believe that such processes have assisted us in increasing product quality and industry goodwill.

The principal raw materials we use to manufacture our products include phenol derivatives, isobutylene derivatives, benzene and aniline derivatives, cresol derivatives, etc. We source our raw materials from a diversified base of vendors with whom we have long-standing relationships. Our procurement team is responsible for monitoring global drivers and raw material sourcing. Our diversified vendor base helps us reduce our dependence on a limited number of vendors, thereby minimising risks of supply disruptions and price fluctuations. The majority of our raw materials are sourced from Indian manufacturers while some are imported from China and France. However, as on date, we manufacture most of our skin care products entirely from locally sourced raw materials. For Fiscals 2021, 2020 and 2019, the cost of raw materials sourced from India was 61.70%, 72.57% and 67.86%, respectively, of our total raw material expenses during such periods.

We distribute our products across the country and the world through a strong distribution network, which is instrumental in effective supply- chain management as well as monitor exposures to risks that may arise from customer or geographical concentration. Over the years, we have evolved from a local supplier to FMCG companies in India to a supplier to multinational FMCG companies in 43 countries across five continents. We manage distribution through our sales team, who is supported by reputed third party distributors across geographies where we operate and market our products. Our revenues from such companies constituted 86.67%, 88.88%, and 89.76%of our total revenue from operations for Fiscals 2021, 2020 and 2019.

We believe that our market position, scale of operations, the US FDA approval and customer faith have had a significant impact on our revenues and profitability. Our total income for Fiscals 2021, 2020 and 2019 was ₹5,103.39 million, ₹6,070.10 million and ₹3,352.60 million, respectively. For Fiscals 2021, 2020 and 2019, our export revenue was 67.39%, 63.99% and 62.61%, respectively, of our revenue from operations (sale of products) during such periods, which represented a CAGR of 30.53% (CAGR of Export Revenue). Our EBITDA for Fiscals 2021, 2020 and 2019 was ₹1,238.25 million, ₹1,025.25 million and ₹245.44 million, respectively and our EBITDA Margin for the same periods was 24.48%, 17.18% and 7.53%. Our profit after tax for Fiscals 2021, 2020 and 2019 was ₹810.83 million, ₹607.46 million, and ₹51.15 million, respectively and our profit after tax margin for the same periods was 15.89%, 10.01% and 1.53%. Our RONW was 44.23%, 59.41% and 8.75% for Fiscals 2021, 2020 and 2019. Our ROCE was 59.36%, 79.03% and 18.15%, as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively. Our net debt was ₹(495.03) million, ₹505.47 million and ₹943.47 million, as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

PRESENTATION OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Company for Fiscal 2021 and audited special purpose consolidated Ind AS financial statements for Fiscal 2020 have been prepared in accordance with Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India. The audited financial statements as at and for the year ended March 31, 2019 have been prepared on a "proforma" basis, in accordance with requirements of SEBI Circular dated March 31, 2016 and Guidance Note On Reports in Company Prospectuses issued by ICAI. For the purpose of such proforma financial statements, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, which is April 1, 2018. For further details, please see "*Restated Financial Statements*" on page 181. The audited consolidated financial statements as at and for the year ended March 31, 2021, special purpose consolidated Ind AS financial statements for the year ended March 31, 2020, and special purpose consolidated Ind AS financial statements for the year ended March 31, 2019, as mentioned in this paragraph, have been restated in accordance with the requirements of the SEBI ICDR Regulations and together, form the basis of the Restated Financial Statements.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, prospects, results of operations, cash flow and financial condition are affected by a number of factors, including key factors:

Success of our customers' products with end customers

We are one of the leading manufacturers globally of critical additives for FMCG ingredients used in skin and hair care products and intermediates for pharmaceutical APIs used in anti-hypertension drugs (*Source: Frost & Sullivan Report*). The speciality chemicals that we manufacture are used in manufacture of sunscreen lotions and creams, anti-bacterial soap and anti-dandruff shampoo. We also manufacture intermediates for anti-hypertension API. Therefore, as an additive manufacturer, our sales are dependent of the success of our customers' products with end customers. Success of our customers' products are dependent on a number of factors, such as general customer preferences for skin and haircare products, the ability of our customers to successfully market their products, the competitive environment in which our customers operate, invention of more advanced and cost effective alternatives at the end product level, the shift of the practice in these industries towards developing substitutes of our products in-house and general economic conditions. Success of our customers' products also allows us to up-sell and cross-sell our additives, thereby reducing concentration. Therefore, the success of our customers' business has a direct impact on our business and results of operations.

Long term relationship with key customers

Although we do not enter into formal long term agreements with our customers, our business relationship with several key customers extends to over decades. Our customers include Beiersdorf AG, Unilever Supply Chain

Company AG, L'Oreal, CTX Lifesciences Private Limited, Dr. Reddy's Laboratories Limited, DSM Nutritional Products Limited, Glenmark Life Sciences Limited, Godrej Consumers Products Limited and USV Private Limited. The success of our business is directly attributable to our successful and long term association with such customers. We have also extensively collaborated with our customers, through research and development, product customization and innovation and manufacture of bespoke products. Such association has also allowed our products to be approved and certified by our customers, which by itself takes several years due the complex chemistries involved. While we have had in the past and continue to have a large customer base, we are dependent on a limited number of customers for a significant portion of our revenue. In Fiscals 2021, 2020 and 2019, our top five customers of the following segments, contributed (a) 50.36%, 53.15% and 56.57%, respectively, to the revenue from the skin care end product segment, (b) 66.93%, 58.38% and 81.97%, respectively, to the revenue from the haircare end product segment, and (c) 69.08%, 68.75% and 72.21%, respectively, to the revenue from the pharmaceuticals sector.

Research and development initiatives

R&D has played a key role in our corporate growth and remains a focus area in our business. We believe that continued innovation through R&D is critical to a company engaged in the manufacture of speciality chemicals. We have invested significant time and effort on R&D initiatives. We have a dedicated in-house R&D team, which focuses on product development across segments. We maintain our R&D Centre at the site of our manufacturing facility in Taloja, near Mumbai. The R&D Centre has been recognized by the Department of Science and Technology, Government of India. Further, we have established a "pilot plant" at the same site, which enables trial runs of new production processes and products prior to commencement of commercial production. Through our R&D initiatives, we also undertake collaborative product development with our customers, which enables us to customize our products in line with customer expectations and consumer preferences, whilst simultaneously ensuring shorter lead-times.

Regulatory approvals and audit of products and processes

We have a geographically diverse business and during Fiscals 2021, 2020 and 2019, in aggregate, we have exported our products to 43 countries in North America, Europe, the APAC region (including Japan), the Middle East and Africa. During Fiscals 2021, 2020 and 2019, our export revenue constituted 67.39%, 63.99% and 62.61% of our total revenue from operations (sale of products) for such periods, respectively. We are subject to the governmental regulations in the geographies and markets where we operate. Both before and after a product's release, we have ongoing obligations to regulatory authorities, such as the US FDA, the compliance requirements under the European Union's REACH legislation, and the requirements for obtaining 'Halal' certification for our products. Regulations also conduct periodic audits in order to ensure the continuance of quality of our facility and processes. If any inspection or quality assessment results in observations/alerts or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction. Governmental authorities in the U.S., Europe, India and other countries regulate the research, development, manufacture, testing, storage, recordkeeping, approval, labelling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, import and export of products. If we fail to comply with regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market.

Price at which we procure our raw materials

The raw materials we use while manufacturing our products include phenol derivatives, isobutylene derivatives, benzene and aniline derivatives, cresol derivatives, etc. During Fiscals 2021, 2020 and 2019, the cost of raw materials was 51.16%, 57.23% and 72.19% of our total revenue of operations. We source our raw materials from a diversified base of vendors, with who we do not have formal long term agreements but do maintain long-standing relationships. As a result, raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters and pandemics. Further, we procure a large portion of our raw materials from a few key suppliers and any disruption of supply of raw materials from such suppliers is a significant factor that can affect our results of operations.

Increase in raw material prices may result in corresponding increases in our product costs. While we typically sell our products to our customers on a short-term contracts basis, given that we have long term relationships with many of our customers, our ability to pass on any increases in the costs of raw materials and other inputs to our customers may be limited. There may be a significant difference in the price of raw materials when raw materials are ordered and paid for and the prevailing price when the raw materials are received and we may not be able to pass on the difference in the prices to our customers. Therefore, it is raw material cost and supply is a critical component of our business and results of operations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations is based on the Restated Financial Statements. The preparation of the Restated Financial Statements require us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and accompanying disclosure of contingent liabilities and other attributes of our income, expenditure and cash flows. Our results of operations and financial condition are sensitive to accounting methods, assumptions and estimates that underly the preparation of our financial statements. We evaluate these estimates on an on-going basis. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount values of assets and liabilities that are not readily apparent from other sources. For details of significant accounting policies followed by us while preparing our financial statements, see "*Restated Financial Statements*" on page 181.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total Income

Total income comprises revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises predominantly of sale of our products and other operating revenue. Other operating revenue is the export incentives received from the Ministry of Commerce & Industry, Government of India, under the Merchandise Exports from India Scheme and the Duty Drawback initiatives.

Other income

Other income predominantly comprises of interest income received from financial assets, profit from sale of investments, income attributable to foreign exchange fluctuations and other miscellaneous income, which varies from year to year.

Expenses

Our expenses comprises of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefit expenses, finance cost, depreciation and amortization expenses and other expenses.

Cost of materials consumed

The cost of materials consumed include cost of raw materials and packing materials. Raw materials predominantly include phenol derivatives, isobutylene derivatives, benzene and aniline derivatives, cresol derivatives, etc.

Purchases of stock-in-trade

Purchase of stock in trade includes purchase of chemical stock such as dimethyl acrylic acid, hydroxylamine hydrochloride and iso-nonanoyl chloride.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of stock in trade, finished goods and work in progress represent the difference between the opening and closing stock of finished goods, engineering stock, work in progress and stock-in-trade.

Employee benefit expenses

Employee benefit expenses comprises of salaries, wages and bonuses paid, contribution to provident and other funds, gratuity payments, staff welfare expenses and leave compensation.

Finance cost

Finance cost comprises predominantly of interest paid on bank borrowings, interest unwinding on lease liabilities and interest paid on indirect taxes.

Depreciation and Amortisation Expense

Depreciation and amortisation expenses comprises of depreciation of property, plant and equipment, amortization of intangible assets such as software and amortization of "right to use assets", which is the land leased from MIDC for a period of 95 years.

Other expenses

Other expenses predominantly comprises of conversion charges (which is the cost of conversion of raw materials into finished products), consumable and fuel charges, cost of repairs and maintenance of plant and equipment, freight charges for transportation of products, cost of electricity, professional consultancy and legal charges, net loss on financial assets and liabilities and other miscellaneous expenses.

RESULTS OF OPERATIONS

The following table sets forth selected information from our results of operations as a percentage of total income for Fiscals 2021, 2020 and 2019:

Particulars	**Fiscal**					
	2021		**2020**		**2019**	
	(in ₹ millions)	**Percentage of total income (in %)**	**(in ₹ millions)**	**Percentage of total income (in %)**	**(in ₹ millions)**	**Percentage of total income (in %)**
Income:						
Revenue from operations	5,059.12	99.13	5,966.08	98.29	3,259.78	97.23
Other Income	44.27	0.87	104.02	1.71	92.82	2.77
Total income	**5,103.39**	**100**	**6,070.10**	**100**	**3,352.60**	**100**
Expenses:						
Cost of materials consumed	2,588.07	50.71	3,414.41	56.25	2,353.18	70.19
Purchases of stock in trade	260.40	5.10	581.27	9.58	208.03	6.21
Changes in inventories of finished goods, work-in-progress and stock in trade	105.82	2.07	156.45	2.58	(144.65)	(4.31)
Employee benefit expenses	266.07	5.21	236.94	3.90	224.31	6.69
Finance costs	24.19	0.47	68.99	1.14	67.95	2.03
Depreciation and amortization expense	102.36	2.01	97.72	1.61	101.52	3.03
Other Expenses	644.81	12.63	655.77	10.80	466.33	13.91
Total expenses	**3,991.72**	**78.22**	**5,211.55**	**85.86**	**3,276.68**	**97.74**
Share of profit/ loss from joint ventures/ associates	**0.03**	**0.00**	**(0.01)**	**0.00**	**0.05**	**0.00**
Profit before tax	**1,111.70**	**21.78**	**858.54**	**14.14**	**75.97**	**2.26**
Tax expenses						
Current tax	285.62	5.60	230.25	3.79	12.56	0.37
Tax adjustment for previous year	7.75	0.15	21.97	0.36	-	0.00
Deferred tax	7.50	0.15	(1.14)	(0.02)	12.26	0.37
Total tax expenses	**300.87**	**5.90**	**251.08**	**4.14**	**24.82**	**0.74**
Profit for the year	**810.83**	**15.89**	**607.46**	**10.01**	**51.15**	**1.53**

FISCAL 2021 COMPARED TO FISCAL 2020

Total revenue

Revenue from operations

Our revenue from operations decreased by 15.20% to ₹5,059.12 million in Fiscal 2021 from ₹5,966.08 million in Fiscal 2020, primary due to a decrease in sale of our products as well as a decrease in export incentives. The decrease in sales of our products was primarily due to (a) the impact of Covid-19, which affected the demand for sunscreens, as an end product and (b) reduction in the sales of skincare and haircare products, as certain customers delayed their product launches, which use such products as an additive. The decrease in export incentives was due to discontinuation of the Merchandise Exports from India Scheme by the Ministry of Commerce & Industry with effect from January 2021.

Other income

Other income decreased by 57.44% to ₹44.27 million in Fiscal 2021 from ₹104.02 million in Fiscal 2020. This decrease was predominantly due to net gain from foreign exchange fluctuations of ₹97.09 million in Fiscal 2020, as compared to a net loss from foreign exchange fluctuations of ₹1.89 million in Fiscal 2021. Foreign exchange fluctuation occur due to the difference between the prevailing foreign currency rate at the time of booking orders and the exchange rate at the time of receipt payment in foreign currency. This was partially offset by (a) an increase of interest income, which was ₹11.57 million in Fiscal 2021 as compared to ₹0.10 million in Fiscal 2020, (b) interest on income tax refund of ₹0.56 million in Fiscal 2021, as compared to no such income during Fiscal 2020 and (c) other miscellaneous income of ₹7.28 million in Fiscal 2021, as compared to no such income during Fiscal 2020.

Total expenses

Cost of materials consumed

Cost of materials consumed decreased by 24.20% to ₹2,588.07 million in Fiscal 2021 from ₹3,414.41 million in Fiscal 2020. Such decrease was predominantly due to decrease in raw material prices as well as decrease in sale of products.

Purchases of stock in trade

Purchases of stock in trade decreased by 55.20% to ₹260.40 million in Fiscal 2021 from ₹581.27 million in Fiscal 2020. Such decrease was predominantly due to reduction of stock in trade prices, primarily due to Covid-19.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods, work-in-progress and stock in trade was 32.36% to ₹105.82 million in Fiscal 2021 from ₹156.45 million in Fiscal 2020. Due to Covid-19, we had curtailed conservatively production, resulting in lower volume of consumed inventory.

Employee benefit expenses

Employee benefit expenses increased by 12.30% to ₹266.07 million in Fiscal 2021 from ₹236.94 million in Fiscal 2020. We have entered into an agreement with our workers' union, which has a three year validity. As per its terms, we pay our workmen approximately 70% of the agreed increase in wages in the first year and the balance over the next two years. The increase in employee benefit expenses during the period was due to such reasons as well as due to general increase in salaries, wages and bonuses, year on year and an increase in leave compensation accrued during Fiscal 2021.

Finance costs

Finance costs decreased by 64.94% to ₹24.19 million in Fiscal 2021 from ₹68.99 million in Fiscal 2020, predominantly due to deleveraging our balance sheet during the period. Such deleveraging comprised of a decrease in borrowings from ₹508.50 million in Fiscal 2020 to ₹92.50 million in Fiscal 2021. During this period, we repaid a loan of ₹ 416.00 from HDFC Bank Limited.

Depreciation and amortization expense

Depreciation and amortization expense increased marginally by 4.75% to ₹102.36 million in Fiscal 2021 from ₹97.72 million in Fiscal 2020, due to the depreciation of property, plant and equipment during the year and increase in amortisation of right of use assets.

Other Expenses

Other expenses decreased marginally by 1.67% to ₹644.81 million in Fiscal 2021 from ₹655.77 million in Fiscal 2020.

Tax expenses

Our current tax expenses increased by 16.32% to ₹293.37 million in 2021 from ₹252.22 million in 2020. This was predominantly due to increase in profit for the year.

We paid deferred tax of ₹7.50 million in Fiscal 2021. We received a deferred tax refund of ₹1.14 million in Fiscal 2020. This was due to the impact of the difference between the depreciation under the Income Tax Act and the Companies Act, as well as due to disallowed expenses.

Profit for the year

Due to the reasons stated above, our profit for the year increased by 33.48% to ₹810.83 million in Fiscal 2021 from ₹607.46 million in Fiscal 2020.

FISCAL 2020 COMPARED TO FISCAL 2019

Total revenue

Revenue from operations

Our revenue from operations increased significantly by 83.02% to ₹5,966.08 million in Fiscal 2020 from ₹3,259.78 million in Fiscal 2019, primary due to increase in the sale of our products as well as an increase in export incentives. Such increase in sales were predominantly driven by demand for our skincare and haircare products.

Other income

Other income increased by 12.07% to ₹104.02 million in Fiscal 2020 from ₹92.82 million in Fiscal 2019. This increase was predominantly due to net gain from foreign exchange fluctuations of ₹97.09 million in Fiscal 2020, as compared to a net gain from foreign exchange fluctuations of ₹45.32 million in Fiscal 2019. This was partially offset by (a) an increase of interest income, which was ₹0.10 million in Fiscal 2020 as compared to ₹0.04 million in Fiscal 2019, (b) interest on VAT refund of ₹1.28 million in Fiscal 2020 as compared to ₹2.24 million in Fiscal 2019.

Total expenses

Cost of materials consumed

Cost of materials consumed increased by 45.10% to ₹3,414.41 million in Fiscal 2020 from ₹2,353.18 million in Fiscal 2019. Such increase was predominantly due to increase in raw material purchase volumes during the year, as a result of increased demand for our products.

Purchases of stock in trade

Purchases of stock in trade was ₹581.27 million in Fiscal 2020 as compared to ₹208.03 million in Fiscal 2019. Such increase was predominantly due to an increase in quantities purchases, due to an increase in demand for skincare and haircare products.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods, work-in-progress and stock in trade was an increase of ₹156.45 million in Fiscal 2020, as compared to a decrease of ₹144.64 million in Fiscal 2019. During Fiscal 2020, we temporarily ceased production due Covid-19. As a result, the closing stock of finished products as well as work in progress was lesser than the previous year.

Employee benefit expenses

Employee benefit expenses increased marginally by 5.63% to ₹236.94 million in Fiscal 2020 from ₹224.31 million in Fiscal 2019. This increase was predominantly due to the general increase in salaries, wages and bonuses, year on year.

Finance costs

Finance costs increased marginally by 1.53% to ₹68.99 million in Fiscal 2020 from ₹67.95 million in Fiscal 2019.

Depreciation and amortization expense

Depreciation and amortization expense decreased marginally by 3.74% to ₹97.72 million in Fiscal 2020 from ₹101.52 million in Fiscal 2019.

Other Expenses

Other expenses increased by 40.62% to ₹655.77 million in Fiscal 2020 from ₹466.33 million in Fiscal 2019, predominantly due to an increase in insurance premium paid, increase in fees paid to professional consultants, consumable, fuel & freight charges paid, and plant and machinery repairs undertaken during Fiscal 2020.

Tax expenses

Current tax paid during Fiscal 2020 was ₹252.22 million as compared to ₹12.56 million paid during Fiscal 2019. This was due to increase in profit in Fiscal 2020 as compared to Fiscal 2019. Further, losses in previous fiscals were carried forward to 2019, which resulted in a lower tax incidence.

We received a deferred tax refund of ₹1.14 million in Fiscal 2020 and paid ₹12.26 million towards deferred tax in Fiscal 2019. This was due to the impact of the difference between the depreciation under the Income Tax Act and the Companies Act, as well as due to disallowed expenses.

Profit for the year

Due to the reasons stated above, our profit for Fiscal 2020 was ₹607.46 million, as compared to a profit of ₹51.15 million in Fiscal 2019.

DISCUSSION ON THE STATEMENT OF CASH FLOWS

The following table sets forth certain information relating to our Company's statement of cash flows for the periods indicated:

(₹ in million)

Particulars	Fiscals		
	2021	**2020**	**2019**
Net cash from/ (used in) operating activities	1,107.88	805.22	(45.37)
Net cash from/ (used in) investing activities	(468.33)	(133.42)	(66.62)
Net cash from/ (used in) financing activities	(442.15)	(669.90)	104.98
Net increase/ (decrease) in cash and cash equivalents	**197.40**	**1.90**	**(7.01)**

Operating activities

In Fiscal 2021, net cash generated from operating activities was ₹1,107.88 million. This comprised of the profit before tax of ₹1,111.70 million, which was primarily adjusted for depreciation and amortization expenses of ₹102.36 million, finance cost of ₹23.50 million, ₹12.19 million of interest income received and net gain from financial assets of ₹22.94 million. The resultant operating profit before working capital changes was ₹1,227.82 million, which was primarily adjusted for a decrease in trade receivables of ₹422.19 million, decrease in inventories by ₹97.70 million, decrease in trade payables of ₹341.74 million, decrease in other assets of ₹19.87 million and decrease in financial assets of ₹21.04 million.

In Fiscal 2020, net cash generated from operating activities was ₹805.22 million. This comprised of the profit before tax of ₹858.54 million, which was primarily adjusted for depreciation and amortization expenses of ₹97.72 million, finance cost of ₹68.47 million, ₹51.07 million of financial liabilities and net gain in unrealised foreign exchange of ₹46.83 million. The resultant operating profit before working capital changes was ₹1,033.68 million, which was primarily adjusted for an increase in trade receivables of ₹316.91 million, decrease in inventories by ₹201.16 million, increase in trade payables of ₹34.43 million, decrease in other assets of ₹30.28 million and increase in financial assets of ₹21.07 million.

In Fiscal 2019, net cash used in operating activities was ₹45.37 million. This comprised of the profit before tax of ₹75.97 million, which was primarily adjusted for depreciation and amortization expenses of ₹101.52 million and finance cost of ₹67.95 million. The resultant operating profit before working capital changes was ₹215.55 million, which was primarily adjusted for increase in trade receivables of ₹345.54 million, increase in trade payables of ₹237.37 million, increase in inventories of ₹163.64 million and decrease in other liabilities of ₹22.71 million.

Investing activities

In Fiscal 2021, net cash used in investing activities was ₹468.33 million, which primarily comprised of cash used for investment in fixed deposits of ₹387.10 million and purchase of property, plant and equipment of ₹76.43 million.

In Fiscal 2020, net cash used in investing activities was ₹133.42 million, which primarily comprised of cash used for the purchase of property, plant and equipment of ₹134.69 million.

In Fiscal 2019, net cash used in investing activities was ₹66.62 million, which primarily comprised of cash used for the purchase of property, plant and equipment of ₹67.36 million.

Financing activities

In Fiscal 2021, net cash used in financing activities was ₹442.15 million, which predominantly comprised of repayment of working capital loans of ₹326.40 million, term loan of ₹89.60 million and lease liabilities of ₹8.56 million.

In Fiscal 2020, net cash used in financing activities was ₹669.90 million, which predominantly comprised of repayment of working capital loans of ₹381.66 million, buyback cost of Equity Shares of aggregated amount of ₹143.00 million (which excluded a buyback tax of ₹10.02 million), repayment of term loans of ₹54.45million, interest paid of ₹54.63 million, dividend paid of ₹17.00 million.

In Fiscal 2019, net cash generated from financing activities was ₹104.98 million, which predominantly comprised of proceeds from working capital loans aggregating to ₹166.50 million, interest paid of ₹63.52 million, and repayment of term loans of ₹35.20million.

BUSINESS SEGMENTS

Our operations fall under a single business segment, which is "manufacturing of specialised chemicals". We disaggregate our revenue based on category of goods and geographical location, the details of which are as follows:

Category of goods

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Pharmaceuticals	666.81	644.26	323.47
FMCG	4,012.96	4,399.43	2,590.18

Other*	322.45	749.09	246.40
Total revenue from sale of products	**5,002.22**	**5,792.78**	**3,160.05**

*The “other” category includes sale of stock in trade.

Geographic regions

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Local sales	1,631.38	2,086.26	1,181.59
Export sales	3,370.84	3,706.52	1,978.46
Total revenue from sale of products	**5,002.22**	**5,792.78**	**3,160.05**

INDEBTEDNESS

As at March 31, 2021, we had total borrowings of ₹92.50 million, of which comprised entirely of long term borrowings.

There are a number of covenants in our financing agreements that we have entered into with our lenders. Further, some of our financing agreements include conditions and covenants that require us to obtain their consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business. For further details, see “*Risk Factors*” on page 21.

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets forth certain information relating to our contingent liabilities and commitments as of March 31, 2021:

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019 (Proforma)
Claims against our Company not acknowledged as debts towards -			
Disputed income tax claims against our Company not acknowledged as debts, currently awaiting the filing of an appeal under “penalty proceedings on account of disallowance under Section 35(2AB)” for accounting year 2018 – 19	1.62	-	-
Disputed income tax claims against our Company not acknowledged as debts, which are currently under appeal/sub-justice - Penalty proceedings on account of disallowance under Section 35(2AB) for the accounting year 2017-18	0.63	-	-
Disputed income tax claims against our Company not acknowledged as debts, which are currently under appeal/sub-justice - Penalty proceedings on account of disallowance under Section 35(2AB) for the accounting year 2014-15	0.14	-	-
Litigations / claims against our Company by landowner			
The landlord of our Company’s Vikhroli office has sent a demand for arrears of rent, which our Company has not acknowledged as a debt	0.74	0.74	0.74
Commitments			
Guarantee given by bank	7.24	6.84	1.35
Estimated amount of contracts remaining to be executed on capital account	2.23	31.11	8.65

For further details, please see “*Restated Financial Statements – Note 37*” on page 243.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For details of our relation party transactions, please see " *Restated Financial Statements*" on page 181.

AUDITOR'S OBSERVATIONS

Our Statutory Auditors have not included any qualifications or emphasis of matter in the Restated Financial Statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the course of undertaking our business, we are exposed to financial risks such market risk, credit risk, interest risk, currency risk and liquidity risk. Our primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on our financial performance. The financial risks are managed in accordance with the risk management policy, which has been approved by our Board of Directors.

Market Risk

Market risk is the risk attributable to changes in foreign exchange rates, interest rates etc. and the impact of such change on our income or on the value of our holdings of financial instruments, including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

Currency Risk

Our exposure to currency risk relates primarily to our operating activities, such as anticipated sales and purchase and borrowings, where the transactions are denominated in foreign currencies. Our foreign currency exposures are managed by forward contract hedging.

Credit risk

Credit risk is the risk of financial loss to a company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk from our operating activities (primarily trade receivables), from our financing activities, including deposits with banks and other statutory deposits. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. We assess the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Liquidity Risk

Liquidity risk is the risk that our Company will not be able to meet its financial obligations as they become due. Our Company manages liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. For further information on contractual maturities of financial liabilities, see, "*Restated Financial Statements"* on page 181.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

CHANGES IN ACCOUNTING POLICIES

For details of changes in accounting policies in the last three years, please see "*Restated Financial Statements*" on page 181.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is not seasonal in nature.

DEPENDENCE ON CUSTOMERS AND SUPPLIERS

For details of risks in relation to our customers and suppliers, please see "*Risk Factors – We do not have long-term agreements with most of our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows. Further, our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.*" on page 27.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Draft Red Herring Prospectus, there are no significant developments that have occurred post March 31, 2021 that affect (a) the trading or profitability of our Company, (b) the value of our assets, or (c) our ability to pay our liabilities.

FINANCIAL INDEBTEDNESS

In accordance with the Articles of Association, subject to the provisions of the Companies Act, 2013 and in terms of the resolution passed by our shareholders in their meeting held on June 19, 2021, our Board may, at any time or from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company on such terms and conditions as our Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of our Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of our Company and its free reserves and shall, at any time, not exceed ₹2,800 million. For further details regarding the borrowing powers of our Board, see "*Our Management-Borrowing Powers*" on page 159.

As on the date of this Draft Red Herring Prospectus, our Company has, in its ordinary course of business, availed two term loans of ₹150.00 million ("**TL-1**") and ₹100.00 million ("**TL-2**"), respectively from HDFC Bank Limited ("**Lender**") of which an aggregate of ₹72.50 million was outstanding as on July 12, 2021. For details of our outstanding borrowing obligations, see "*Restated Financial Statements"* on page 181.

In relation to the Offer, our Company has obtained the necessary consent from the Lender, required under the relevant loan documentation for undertaking activities, including, *inter alia*, for change in its capital structure, change in its shareholding pattern, reconstitution of the board of directors and amendments to the constitutional documents of our Company.

Principal terms of the borrowings currently availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the borrowing arrangements entered into by our Company with the Lender.

1. ***Interest:*** The applicable rate of interest for each of the term loans, TL-1 and TL-2, availed by our Company as at July 12, 2021 was 8.15% per annum. In terms of the borrowing, the interest rate is dependent on the guidelines of RBI and is linked to the base rate of the Lender.

2. ***Tenor:*** The tenor of each of the term loan availed by our Company is for a maximum period of 72 months, which includes a moratorium period of 12 months.

3. ***Security:*** The term loans availed by our Company are secured by, *inter alia*, a first charge on certain immovable property and hypothecation of fixed assets of our Company.

4. ***Re-payment:*** The term loans availed by our Company are repayable on a quarterly basis.

5. ***Pre-payment:*** Each of the term loans availed by our Company are subject to a prepayment penalty of (a) 0.50% per annum on the outstanding balance, in the event the prepayment is undertaken post a period of three years from the date of disbursement of the term loan; or (b) 1.00% per annum on the outstanding balance, in the event the prepayment is undertaken within a period of three years from the date of disbursement of the term loan.

6. ***Penalty:*** The term loan, TL-1, availed by our Company is subject to a penalty of 2.00% per annum (in addition to the applicable interest rate) for delayed payment or default in the repayment obligations under the relevant loan documentation.

7. ***Restrictive Covenants:*** The borrowing arrangements entered into by us with the Lender entails various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the Lender before carrying out such activities.

   For instance, certain corporate actions for which we require the prior written consent of the Lender include:

   (a) amending or modifying the constitutional documents of our Company;
   (b) effecting any change to our Company's capital structure or shareholding pattern;

(c) effecting any change to the shareholding of our Promoters in our Company;
(d) permitting any change in the ownership or control of our Company;
(e) undertaking further long term borrowings;
(f) undertaking any scheme of merger, amalgamation, compromise or reconstruction; and
(g) effecting any material changes to the management of our Company and/or our business.

8. ***Events of Default:*** The borrowing arrangements entered into by us with the Lender contains certain instances, occurrence of which may result into 'event of default', including:

(a) failure to make payment of any principal amount or interest on the relevant due dates;
(b) failure to observe or comply with the terms and conditions of the borrowing arrangement;
(c) in case our Company ceases or threatens to cease to carry on its business;
(d) in case any step is taken against our Company for dissolution, winding up, liquidation and/or insolvency, including the appointment of a receiver; and
(e) in case the security provided for the borrowing deteriorates or is impaired.

Further, in relation to the term loans availed by our Company, any substantial change in the constitution or management of our Company without the prior written consent of the Lender is deemed to be an event of default.

The details above are indicative and there may be additional instances that may amount to an event of default under the borrowing arrangements entered into between our Company and the Lender.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters; (ii) actions by statutory or regulatory authorities involving our Company, Directors, or Promoters; (iii) claims relating to direct and indirect taxes involving our Company, Directors, or Promoters; and (iv) any other pending litigation involving our Company, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).

In accordance with the Materiality Policy, all pending litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes mentioned in points (i) to (iii) above):

A. involving our Company:

i. where the aggregate monetary claim made by or against our Company (individually or in aggregate), in any such pending litigation is equal to or in excess of five percent of the profit after tax of our Company in the most recently completed Fiscal, as per the Restated Financial Statements.

The profit after tax of our Company for Fiscal 2021 as per the Restated Financial Statements was ₹ 810.83 million. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company (individually or in aggregate), in any such pending litigation is equal to or in excess of ₹40.54 million (being 5% of our profit after tax in Fiscal 2021 as per the Restated Financial Statements); or

ii. where the outcome of such litigation, including any litigation under the Insolvency and Bankruptcy Code, 2016, as amended, irrespective of any amount involved in such litigation or wherein a monetary liability is not quantifiable, could have a material adverse effect on the position, business, operations, prospects or reputation of the Company.

B. involving our Promoters and Directors, the outcome of which could have a material adverse effect on the business, operations, prospects, position or reputation of our Company, irrespective of the amount involved in such litigation, have been considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Company, which may have a material impact on our Company.

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5 percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements. The trade payables of our Company as on March 31, 2021 was ₹486.56 million. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹24.33 million as on March 31, 2021.

For the purposes of the above, pre-litigation notices received by our Company, Promoters, Directors or Group Company from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of our Company, or such Promoters, Directors or Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

Outstanding litigation proceedings against our Company

(i) Claims related to direct and indirect taxes.

A summary table of the claims relating to direct and indirect taxes involving our Company is set forth below:

Nature of case	Number of cases	Amount (in ₹ million)
Direct tax	3	2.39
Total	**3**	**2.39**

LITIGATION INVOLVING OUR PROMOTERS

Outstanding litigation proceedings against our Promoters

Jayant Vora, Mitul Vora and Rushabh Vora

Criminal proceedings against our Promoters

A first information report against our Promoters, Jayant Vora, Mitul Vora and Rushabh Vora ("**Respondents**") was filed under Sections 337, 338, 427, 304(A) and 34 of the Indian Penal Code, 1860, and under Sections 4 and 5 of the Explosives Act, 1884 for alleged failure to store chemical substances safely and without a license, in relation to an explosion that occurred on September 12, 1998 at the erstwhile factory premises of the Company which lead to the demise of two individuals and injured five others. Thereafter a chargesheet was filed against the Respondents and the complaint was forwarded to the Metropolitan Magistrate Court, Mumbai. The matter is currently pending.

BACS LLP

Claims related to direct and indirect taxes.

A summary table of the claims relating to direct and indirect taxes involving our BACS LLP is set forth below:

Nature of case	Number of cases	Amount (in ₹ million)
Direct Tax	3	502.60
Total	**3**	**502.60**

LITIGATION INVOLVING OUR DIRECTORS

Outstanding litigation proceedings against our Directors

(a) Criminal proceedings against our Directors

(i) Jayant Vora, Mitul Vora and Rushabh Vora

For details, see "– *Litigation involving our Promoters – Outstanding litigation involving our Promoters – Criminal proceedings against our Promoters*" on page 273

(ii) Prakash Mehta

Prakash Mehta ("**Petitioner**") filed criminal writ petitions bearing reference no. 3384/2019, 3385/2019, 3387/2019 and 3388/2019 against M.S Karambe, the Deputy Registrar of Companies, Maharashtra, Mumbai and the State of Maharashtra ("**Respondents**"), before the High Court of Bombay ("**High Court**") against the issuance of processes by the Additional Chief Metropolitan Magistrate, 4th Court, Girgaon, Mumbai ("**Magistrate**") under the Companies Act, 1956 ("**Act**"), basis complaints filed against *inter alia* Prakash Mehta, in his capacity as a former director of Shirpur Gold Refinery Limited, formerly known as AG Gold Refiners Limited ("**the Company**") for violation of Section 211 read with Schedule VI of the Act ("**Petition**") for the period prior to 2001. The High Court vide an order dated October 22, 2019, found that Prakash Mehta, *prima facie*, could not be said to be responsible for the alleged violation under the Act, since the duty to maintain the books of accounts was on the Company's managing director, and granted ad-interim relief that pending hearing and final disposal of the Petition, all further proceedings in C.C. No. 2571/SS/2016 pending before the Magistrate shall be stayed. Subsequently, the High Court vide an order dated February 28, 2020 noted the Respondent's absence and issued notice of final disposal to the Respondent and permitted the interim relief to continue until further orders. The matter is currently pending.

(b) Actions by statutory or regulatory authorities

Chetan Desai

SEBI has initiated adjudication proceedings and issued a show cause notice dated March 19, 2021 ("**SCN**") to Chetan Desai, in his capacity as a former independent director of a real estate investment manager (the "**Investment Manager**") during July 31, 2018 to May 5, 2020 under Section 15HB of the SEBI Act, 1992, for the alleged violation of certain provisions of the SEBI AIF Regulations by the Investment Manager. The SCN was issued by the adjudicating officer in terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. The Investment Manager, along with Mr. Desai and other directors of the Investment Manager have made an application for settlement to SEBI on May 17, 2021 under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. The matter is currently pending.

OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of five percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements, *i.e.*, ₹24.33 million, as of March 31, 2021 ("**Material Creditors**").

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2021 is as set forth below:

Particulars	**Number of creditors**	**Amount involved (in ₹ million)**
Dues to micro, small and medium enterprises	36	70.94
Dues to Material Creditor(s)	3	115.59
Dues to other creditors	309	300.03
Total	**348**	**486.56**

For details of outstanding dues to the Material Creditors (referenced above) as on March 31, 2021, (along with the names and amounts involved for each such Material Creditor) see https://chemspec.co.in/material-creditors/.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.chemspec.co.in would be doing so at their own risk.

MATERIAL DEVELOPMENTS

Other than as stated in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 257, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, 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.

GOVERNMENT AND OTHER APPROVALS

Our Company has received all consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and regulatory authorities, which are material for undertaking its present business activities and operations, no further material approvals are required for carrying on our present business activities. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 146.

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 277, for incorporation details of our Company, see "History and Certain Corporate Matters" on page 150.

I. Labour/employment related approvals

1. Registration as a principal employer under the Contract Labour (Regulation & Abolition) Act, 1970 issued by relevant registering officer with respect to our Manufacturing Facility.

2. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

3. Registration for employees' insurance issued by the Sub-Regional Office, Employees State Insurance Corporation under the Employees' State Insurance Act, 1948.

II. Tax related approvals

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.

3. Goods and services tax registration in the state of Maharashtra, where our Company operates.

4. Registration as an employer issued by the Profession Tax Office under the Maharashtra State Tax on Professions, Trades, Ceiling and Employments Act, 1975.

III. Material approvals in relation to our Company's business and operations

Business related approvals

1. Certificate of Importer-Exporter Code issued by the office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992, to enable our Company to carry out its export and import operations.

2. Certificate of registration-cum-membership issued by the Basic Chemicals, Cosmetics and Dyes Export Promotion Council, set up by the Ministry of Commerce and Industry, Government of India.

3. Udyog Aadhar registration certificate issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.

4. Certificate of recognition as 'One Star Export House' issued by the office of the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

5. Registration cum membership certificate issued by the Federation of Indian Export Organisations, Ministry of Commerce and Industry, Government of India.

Approvals in relation to our Manufacturing Facility and R&D Facility

1. Factories license issued by the Directorate of Industrial Safety and Health (Maharashtra) under the Factories Act, 1948 to enable our Company to operate our Manufacturing Facility.

2. Certificate of recognition for our in-house R&D unit issued by the Department of Scientific and Industrial Research, Government of India.

3. Consent or authorization issued by the Maharashtra Pollution Control Board (i) to operate under the Water (Prevention and Control of Pollution) Act, 1974; (ii) to operate under the Air (Prevention and Control of Pollution) Act, 1981; and (c) under the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016, with respect to our Manufacturing Facility.

4. No objection certificate as per the provisions of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for the factory shed at our Manufacturing Facility issued by the Maharashtra Industrial Development Corporation.

5. License to import and store petroleum in an installation issued by the Chief Controller of Explosives under the Petroleum Act, 1934 for our Manufacturing Facility.

6. Certificate for use of a boiler issued by the Office of the Deputy Director, Directorate of Steam Boilers, Government of Maharashtra under the Indian Boilers Act, 1923.

7. License to possess methanol issued by the Food and Drugs Administration under the Poisons Act, 1919 and the Maharashtra Poisons Rules, 1972 to possess methanol at our Manufacturing Facility.

8. Certificate issued by the Inspector of Legal Metrology, Food, Civil Supply and Consumer Protection Department Legal Metrology, Government of Maharashtra in relation to weights and measurements;

9. Building completion certificate, drainage completion certificate and occupancy certificate issued by the Maharashtra Industrial Development Corporation with respect to our Manufacturing Facility.

10. ISO 14001:2015 and ISO 9001:2015 certificates for the development, manufacture and export of speciality chemical and intermediates of APIs issued by SGS United Kingdom Limited.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on July 13, 2021. Further, our Board has taken on record the approval of the Offer for Sale by the Selling Shareholders in its meeting held on July 13, 2021.

Our Board and our IPO Committee have each approved this Draft Red Herring Prospectus pursuant to their resolutions dated July 13, 2021 and July 14, 2021, respectively.

The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Aggregate value of dilution in the Offer for Sale	Date of meeting of partners	Date of consent letter
BACS LLP	Up to ₹2,334.00 million	July 13, 2021	July 13, 2021
Mitul Vora	Up to ₹2,333.00 million	N/A	July 13, 2021
Rushabh Vora	Up to ₹2,333.00 million	N/A	July 13, 2021

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Selling Shareholders, the persons in control of our Company and the persons in control of BACS LLP, our corporate Promoter are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Selling Shareholders, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

Directors associated with the Securities Market

Other than Chetan Desai who is a director on the board of Reliance Securities Limited, which is registered as a stock broker, research analyst, depository participant, investment advisor, none of the Directors are, in any manner, associated with the securities market. Other than as disclosed in "*Outstanding Litigation and Other Material Developments-Litigation involving our Directors-Litigation against our Directors-Chetan Desai*" on page 274, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹3 crore, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹15 crore, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹1 crore in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

- Our Company was converted into a public limited company and consequently, a fresh certificate of incorporation dated July 8, 2021 was issued by the RoC, recording the change of the name of our Company from 'Chemspec Chemicals Private Limited' to 'Chemspec Chemicals Limited'. No change in business activity is indicated by our present name and there has not been any change in the business activities of our Company.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three Fiscals ended March 31, 2021, 2020 and 2019 are set forth below:

(*in ₹ million, unless otherwise stated*)

Particulars	**As at and for the Fiscal ended**		
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
Restated net tangible assets [1]	605.60	591.69	568.69
Restated monetary assets[2]	587.84	3.27	1.37
Monetary assets, as a percentage of net tangible assets, as restated	97.07	0.55	0.24
Operating profit/ (loss), as restated[3]	1,091.62	823.51	51.10
Net worth, as restated [4]	1,833.34	1,022.53	584.75

[1]Net tangible assets means the sum of all net assets of the Company (which includes Property, Plant and equipment, Capital work in progress and right of use assets) excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 issued by the Institute of Chartered Accountants of India.
[2]Monetary assets' is the aggregate of cash in hand and balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalents)
[3]Operating Profit' has been calculated as profit before finance costs, other income, exceptional item and tax expenses
[4]For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, each as applicable for the Company on a restated basis

Our Company has operating profits in each of Fiscal 2021, 2020 and 2019 in terms of our Restated Financial Statements.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter.

(d) None of our Promoters or Directors has been declared a Fugitive Economic Offender.

(e) None of our Company, Promoters or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

(f) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(g) Our Company along with Registrar to the Offer has entered into tripartite agreements dated May 10, 2021 and May 14, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares. Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC;

(h) The Equity Shares of our Company held by the Promoters are in the dematerialised form; and

(i) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Each of the Selling Shareholders has severally and not jointly confirmed compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 14, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website www.chemspec.co.in would be doing so at his or her own risk. The Selling Shareholder, its respective directors, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholder in relation to itself and the Offered Shares.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs 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 centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

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

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Legal Counsel to our Company and Selling Shareholders as to Indian law, Legal Counsel to the BRLMs as to Indian law, Bankers to our Company, the BRLMs, the Registrar to the Offer, lenders to our Company (wherever applicable), Statutory Auditors, Chartered Engineer and Frost and Sullivan have been obtained; and consents in writing of the Syndicate Members, Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus with the RoC.

Experts

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Financial Statements and their examination report dated July 13, 2021 on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 14, 2021 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent from S. D. Aras & Associates, independent chartered engineer, to include their name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificate issued by them. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis objects* – Last issue of subsidiaries or listed promoters

Our Corporate Promoter is not listed on any stock exchange. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company

Other than as disclosed in "*Capital Structure-Notes to the Capital Structure*", our Company has not undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our listed group companies, subsidiaries or associates of our Company

Our Group Company is not listed on any stock exchange. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or associates.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

Track record of past issues handled by the BRLMs

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited*

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	Not Applicable	Not Applicable	Not Applicable
2.	Shyam Metalics and Energy Limited[7]	9,085.50	306.00	June 24, 2021	380.00	Not Applicable	Not Applicable	Not Applicable
3.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	Not Applicable	Not Applicable	Not Applicable
4.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	Not Applicable	Not Applicable
5.	Anupam Rasayan India Limited[8]	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49%[8.23%]	Not Applicable
6.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27% [-0.86%]	124.68%[6.94%]	Not Applicable
7.	MTAR Technologies Limited	5,964.14	575.00	March 15, 2021	1050.00	69.45% [-2.84%]	78.83% [5.83%]	Not Applicable
8.	Stove Kraft Limited	4,126.25	385.00	February 5, 2021	498.00	30.68% [0.09%]	28.92% [-2.05%]	Not Applicable
9.	Burger King India Limited	8,100.00	60.00	December 14, 2020	112.50	146.50% [7.41%]	135.08% [10.86%]	168.25% [16.53%]
10.	Equitas Small Finance Bank Limited	5,176.00	33.00	November 2, 2020	31.10	5.45% [12.34%]	19.55% [16.84%]	68.18% [25.38%]

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*

4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("**Employee Discount**") equivalent to ₹15 per Equity Share.*
8. *A discount of ₹55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *Not Applicable – Period not completed*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	4	97,585.50	-	-	-	-	1	-	-	-	-	-	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	2	1	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

***Spandana Sphoorty Financial Limited raised ₹11,898.49 million as against the issue size of ₹12,009.36 million*

2. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	-	-	-
2.	Krishna Institute Of Medical Sciences Limited!	21,437.44	825.00	June 28, 2021	1,009.00	-	-	-
3.	Dodla Dairy Limited	5,201.77	428.00	June 28, 2021	550.00	-	-	-
4.	Shyam Metalics And Energy Limited@	9,085.50	306.00	June 24, 2021	380.00	-	-	-
5.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	+30.22%, [+5.21%]	-	-
6.	Barbeque – Nation Hospitality Limited	4,528.74	500.00	April 7, 2021	489.85	+18.77%, [-0.64%]	+76.97%, [+6.85%]	-
7.	Suryoday Small Finance Bank Limited$	5,808.39	305.00	March 26, 2021	292.00	-18.38%, [-1.14%]	-26.87%, [+8.13%]	-
8.	Kalyan Jewellers India Limited#	11,748.16	87.00	March 26, 2021	73.95	-24.60%, [-1.14%]	-7.07%, [+8.13%]	-
9.	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%, [+0.11%]	+16.81%, [+10.11%]	-
10.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	-

Source: www.nseindia.com
$ Offer Price was ₹ 275.00 per equity share to Eligible Employees
 # Offer Price was ₹ 79.00 per equity share to Eligible Employees
@ Offer Price was ₹ 291.00 per equity share to Eligible Employees
! Offer Price was ₹ 785.00 per equity share to Eligible Employees

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY is considered as the Benchmark Index.*
c. *Price on NSE is considered for all of the above calculations.*
d. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022*	6	73,253.45	-	-	-	-	1	1	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	1
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Website for track record of the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

Name	Website
JM Financial Limited	www.jmfl.com
Axis Capital Limited	www.axiscapital.co.in

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

Disposal and Redressal of Investor Grievances by our Company

SEBI, by way of its circular dated March 16, 2021 ("**March 2021 Circular**") and as amended by the circular dated June 2, 2021, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Our Company will obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has also appointed Bharatkumar Dama, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information- Company Secretary and Compliance Officer*" on page 63.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VIII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, transferred and Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders.

The listing fees shall be borne by our Company. Other Offer-related expenses shall be shared be borne by each Selling Shareholder in proportion to the Equity Shares to be offered by each Selling Shareholder. However, all Offer-related expenses shall initially be borne by our Company. Upon successful completion of the Offer, each Selling Shareholder shall reimburse our Company their proportionate share of the Offer-related expenses.

Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 314.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 180 and 314, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹2. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Price Band and minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 314.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated May 10, 2021 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated May 14, 2021 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Terms of the Offer – Bid/Offer Programme*" on page 289.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/ OFFER OPENS ON*	**[●]**
BID/ OFFER CLOSES ON**	**[●]**^

*****Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.*

***Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

^UPI mandate end time and date shall be at [●] on [●].

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account**	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

****In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays

in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time ("**IST**")) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST).

(ii) on the Bid/Offer Closing Date:

   (a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

   (b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, as applicable, on the date of closure of the Offer or withdrawal of applications; or after technical rejections; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholders, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely attributable to the relevant Selling Shareholder.

Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 70 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 314.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIIs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) comprising of an Offer of Sale of up to [●] Equity Shares aggregating up to ₹7,000.00 million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up equity share capital of our Company.

Particulars	QIBs (1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation* (2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Proportionate, subject to the minimum Bid Lot. The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see *"Offer Procedure"* on page 296
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply(3)	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
	commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI	
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

* *Assuming full subscription in the Offer*

[(1)] *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see "Offer Procedure" on page 296.*

[(2)] *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" on page 287.

[(3)] *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

[(4)] *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible

under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020("**UPI Phase II**"). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI for Bids by RIIs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

(c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

** Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by the Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million

b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Offer Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) Neither the BRLMs or any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any "person related to the Promoters or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see the General Information Document.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities"* on page 313.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer equity share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholders in consultation with the BRLMs, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the

Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;

4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as

displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

21. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

23. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

24. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

25. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

26. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

27. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

28. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

29. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;

30. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID

16. Do not submit the General Index Register (GIR) number instead of the PAN;

17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;

20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;

22. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

23. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

24. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

25. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;

26. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

27. Anchor Investors shall not bid through the ASBA Process;

28. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

29. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and

30. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 63.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information*" on page 62.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIIs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIIs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form by the RIIs using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

8. Bids submitted without the signature of the First Bidder or sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIIs with Bid Amount of a value of more than ₹200,000;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIIs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 62.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net offer to public may be made for the purpose of making Allotment in minimum lots.
The allotment of Equity Shares to Bidders other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"
(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated May 10, 2021 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated May 14, 2021 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) No further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes the following in respect of itself and its respective portion of the Offered Shares:

(i) that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

(ii) that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;

(iii) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its portion of the Offered Shares;

(iv) that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(v) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

Utilisation of Offer Proceeds

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: "*Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*." The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT 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 are under the automatic route under the foreign direct investment policy 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 the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 296.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The regulations contained in Table "F" in Schedule I to the Companies Act, 2013 shall apply to Chemspec Chemicals Limited (the "Company") only to the extent that the same are not specifically provided for in these Articles of Association and are not inconsistent with these Articles of Association. In case of any inconsistency of provisions contained in Table "F" in Schedule I to the Companies Act, 2013 and these Articles of Association, the provisions of these Articles of Association will prevail, subject to provisions of the Companies Act, 2013, read with the rules framed thereunder or other applicable laws, if any. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

**Company was converted from "Chemspec Chemicals Private Limited" to Chemspec Chemicals Limited" pursuant to a fresh certificate of incorporation issued by the RoC on July 8, 2021 and pursuant to conversion, new set of Articles of Association was adopted at the extra-ordinary general meeting of the members of the Company held on June 24. 2021.*

I. DEFINITIONS AND INTERPRETATION

1. In these Articles:

(i) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which the Articles become binding on the Company. In these Articles:

"**Act**" means Companies Act, 2013 or previous company law of India and all rules, regulations, notifications, circulars and clarifications issued thereunder, along with any amendments, re-enactments or other statutory modifications thereof for the time being in force.

"**Annual General Meeting**" means the Annual General Meeting held in accordance with the provisions of Section 96 of the Act.

"**Articles**" means the Articles of Association of the Company as amended or altered from time to time in accordance with the Act.

"**Auditors**" shall mean and include those persons appointed under the provisions of the 'Act' or any other applicable provisions for the time being in force, as such for the time being by the Company.

"Beneficial Owner" means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

"**Board**" or "**Board of Directors**" means the board of Directors or collective body of the Directors of the Company as duly constituted from time to time in accordance with applicable provisions of Law, including the Act and SEBI Regulations and the terms of these Articles.

"Board Meeting" means a meeting of the Directors duly called, constituted and held or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a resolution in accordance with these Articles and the Act.

"Capital" - means the existing capital and the capital for the time being raised for the purpose of the Company as mentioned under section 43 of the Act and applicable SEBI Regulations.

"Company" or "This Company – means CHEMSPEC CHEMICALS LIMITED

"Chairman" or **"Chairperson"** means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board or/and General meetings of the Company.

"**Debenture**" includes debenture stock, bonds or any other instrument evidencing a debt, whether constituting a charge on the assets of the Company, or not, which excludes instruments referred in chapter III-D of RBI Act, 1934.

"**Depositories Act**" means the Depositories Act, 1996, as amended or any statutory modification or re-enactment thereof for the time being in force.

"**Depository**" means a Depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992, as amended.

"**Director**" means a director of the Board appointed from time to time in accordance with the terms of these Articles and the provisions of the Act.

"Dividend" means the dividend including the interim dividend, as defined under the provisions of the Act.

"Documents" - includes summons, notices, requisition, other legal process and registers, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

"**Equity Share Capital**" means in relation to the Company, its equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

"**Encumbrance**" means any encumbrance, including, but without limitation, charge, claim, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), option, security interest, mortgage, easement, encroachment, public / common right, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, any provisional, conditional or executional attachment and any other interest held by a third party.

"Financial Year" shall have the meaning assigned thereto by Section2 (41) of the Companies Act, 2013.

"**Fully Diluted Basis**" means the total classes of Shares outstanding on a particular date, combined with all outstanding options, warrants, convertible securities of all kinds, any other arrangements relating to the Company's equity or any other instrument, all on an "**as if converted**" basis. For the purposes of this definition, "**as if converted**" basis shall mean as if such instrument, option or security had been converted into equity Shares of the Company in accordance with the terms of its issuance.

"**General Meeting**" means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary General Meeting.

"**Independent Director**" shall have the meaning assigned to the said term under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

"**INR**" or "**Rs.**" means the Indian Rupee, the currency and legal tender of the Republic of India.

"**In writing" or "written"** means and includes words printed, lithographed, represented or reproduced in any other modes in a visible form, including Electronic mode as provided in the Information and Technology Act, 2000 as amended from time to time

"**Law**" includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority (including but not limited to the Reserve Bank of India Act, 1934, as amended and any applicable rules, regulations and directives of the Reserve Bank of India), statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

"Managing Director" means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

"**Members**" means members of the Company within the meaning of sub-Section 55 of Section 2 of the Act, as amended from time to time and who are the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Memorandum" means the memorandum of association of the Company, as amended or altered from time to time in accordance with the provisions of the Act.

"**Ordinary Resolution**" shall have the meaning assigned to it in Section 114 of the Act.

"Paid up Capital" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of Shares issued by the Company and also includes any amount credited as paid-up in respect of Shares of the Company, but does not include any other amount received in respect of such Shares, by whatever name called.

"**Person**" means any individual, sole proprietorship, unincorporated association, unincorporated organization, association of persons, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law (whether registered or not and whether or not having separate legal personality).

"**Preference Share Capital**" means in relation to the Company, its preference Share capital within the meaning of Section 43 of the Act, as amended from time to time.

"Proxy" means an instrument whereby any person is authorized to vote for a member at a General Meeting on a poll and shall include an attorney duly constituted under a power-of-attorney.

"**Registrar**" or "**ROC**" or "**Registrar of Companies**" means Registrar of Companies, under whose jurisdiction the registered office of the Company is situated

"**RBI**" means the Reserve Bank of India.

"**Seal**" means the common seal, if any, of the Company.

"SEBI" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 and amendment made thereof.

"SEBI Regulations" means all the Regulations, Rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by the Securities and Exchange Board of India

"Secretary" or **"Company Secretary"** means company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, as amended, who is appointed by the Company to perform the functions of a company secretary under the Act.

"**Securities**" have the meaning assigned to the term in clause (h) of section 2 of the Securities Contract (Regulation) Act, 1956, as may be amended from time to time.

"**Shares**" means a share in the Share Capital of the Company and includes stock.

"**Share Capital**" means the Equity Share Capital and Preference Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

"**Shareholder**" shall mean a Member of the Company.
"**Special Resolution**" shall have the meaning assigned to it in Section 114 of the Act.

"Tribunal" – means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.

(ii) The terms "*writing*" or "*written*" include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.

(iii) The headings hereto shall not affect the construction hereof.

(iv) Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

(v) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

(vi) In these Articles, words that are gender neutral or gender specific include each gender, as the context may require.

(vii) Words importing the singular number includes where the context admits or requires, the plural number and vice versa.

(viii) Unless the context otherwise requires, words and-expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof for the time being in force

(ix) References to a person shall, where the context permits, include such person's respective successors, legal heirs and permitted assigns

(x) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation"

(xi) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(xii) Wherever not expressly provided under this articles the provisions of the Act, SEBI Regulations or any other Act, Rules, notifications or Law including references also to any amendment or re-enactment for the time being in force shall be applicable.

(xiii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

(xiv) Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

II. PUBLIC COMPANY

2. The Company is a public company Limited by shares within the meaning of the Act.

III. SHARE CAPITAL AND VARIATION OF RIGHTS

3. The authorized Share Capital of the Company shall be as set out in Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

4. Subject to the provisions of the Act, these Articles and other applicable Law, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Section 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.

5. Subject to these Articles and the provisions of the Act, the Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

6. Subject to the provisions of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:

   (i) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;

   (ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

   (iii) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or

   (iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.

7. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles

8. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue securities or shares as the case may be, on Rights basis, Preferential Basis, private placement basis, under a scheme of employees’ stock option and Sweat Equity shares, or in any other manner as may permitted under the Companies Act, 2013 and SEBI Regulations.

9. Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.

10. The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.

11. Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/allotment of further Shares either out of the unissued Share Capital or increased Share Capital:

(a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;

(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

(e) Notwithstanding anything contained in Clause 11 (a) to (d), such further Shares may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (11) hereof) in any manner whatsoever, is so authorized by way of a Special Resolution.

Nothing in sub-clause (c) of (11) hereof shall be deemed:

a) To extend the time within which the offer should be accepted; or

b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Such further Shares, as referred to in Article 11, may be offered to the persons who are:

(i) employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(ii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.

(iii) The notice referred to in Article above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

12. Nothing in Article 11 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the

Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.

13. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.

14. Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

15. The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depository Receipts or Global Depository Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depository Receipts or Global Depository Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.

16. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.

17. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

18. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

19. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.

20. The Board of the Company may recommend an employee shares or security option scheme or plan from time to time.

21. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

22. The Company may from time to time by special resolution, subject to confirmation by the Tribunal and subject to the provisions of Sections 52 and 66 of the Companies Act, 2013 and other applicable provisions including applicable Tribunal Rules and SEBI Regulations, if any, reduce its share capital in any manner and in particular may –

(a) Extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or

(b) either with or without extinguishing or reducing the liability on any of its shares, -

(i) cancel any paid up share capital which is lost or is unrepresented by available assets;

(ii) Pay off any paid up share capital which is in excess of the wants of the Company.

Further Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution and subject to confirmation by the Tribunal and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions including applicable Tribunal Rules and SEBI Regulations, if any reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:

(i) the Share Capital;

(ii) any capital redemption reserve account; or

(iii) any securities premium account.

IV. NOMINATION BY SECURITIES HOLDERS

23. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

24. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

25. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

26. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

27. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

V. BUY BACK OF SHARES

28. Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company’s own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by law.

VI. CAPITALISATION OF PROFITS

29. The Company in General Meeting may, upon the recommendation of the Board, resolve –

    (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and

    (ii) that such sum be accordingly set free for distribution in the manner specified in Article 30 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

30. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 31 below, either in or towards:

    (i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or

    (ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or

    (iii) partly in the way specified in Article 30(i) and partly in that specified in Article 30(ii);

    (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.

    (v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

31. Whenever such a resolution as aforesaid shall have been passed, the Board shall:

    (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

    (ii) Generally do all acts and things required to give effect thereto.

32. The Board shall have power to:

    (i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and

    (ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.

33. Any agreement made under such authority shall be effective and binding on such Members.

VII. COMMISSION AND BROKERAGE

34. The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other applicable Law, provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

35. The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules.

36. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

37. The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

VIII. LIEN

38. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares. Provided that the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article.

39. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien. *Provided that* no sale shall be made -

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

40. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.

41. (i) To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

42. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

IX. CALLS ON SHARES

43. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

44. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

45. A call may be revoked or postponed at the discretion of the Board.

46. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

47. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

48. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.

49. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

50. The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

X. DEMATERIALIZATION OF SECURITIES

51. The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof.

Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

52. Notwithstanding anything contained herein but subject to the provisions of Law, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

53. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.

54. If a Person opts to hold his Securities in dematerialised form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

55. All Securities held by a Depository shall be dematerialized and shall be in a fungible form.

(i) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Securities on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the Securities as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.

56. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall, in accordance with the provisions of these Articles and the Act, be entitled to all the liabilities in respect of his Shares which are held by a Depository.

57. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.

58. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

XI. TRANSFER OF SECURITIES

59. The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being and the applicable SEBI regulations shall be duly complied with in respect of all transfers of Shares and the registration thereof.

60. Where Shares are converted into stock:

(i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; *Provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

(iii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

61. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company

shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, *provided that* such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.

62. Subject to the provisions of the Act, these Articles, the Securities Contracts (Regulation) Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.

63. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.

64. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

65. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

(i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
(ii) any transfer of Shares on which the company has a lien.

66. The Board may decline to recognize any instrument of transfer unless—

(i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
(ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(iii) the instrument of transfer is in respect of only one class of Shares

67. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

68. The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.

XII. TRANSMISSION OF SHARES

69. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

70. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

(i) to be registered as holder of the Share; or

(ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

71. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

72. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

73. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.

74. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

75. A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

XIII. FORFEITURE OF SHARES

76. If a Member fails to pay any call, or instalment of a call or any part thereof, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

77. The notice issued under Article 76 shall:

(i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

78. If the requirements of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

79. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

80. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

81. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.

82. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

83. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Person claiming to be entitled to the Share.

84. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of.

85. The transferee shall there upon be registered as the holder of the Share.

86. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

87. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

XIV. SHARES AND SHARE CERTIFICATES

88. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or Debenture holders resident in that country.

89. A Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares. Where a Person opts to hold any Share with the Depository, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

90. Unless the Shares have been issued in dematerialized form, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –

    (i) one certificate for all his Shares without payment of any charges; or

(ii) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.

91. Every certificate of Shares shall be under the seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. The common seal shall be affixed in the presence of the persons required to sign the certificate. Further, out of the two Directors there shall be at least one director other than managing or whole-time director, where the composition of the Board so permits. *Provided that* in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint-holders shall be sufficient delivery to all such holders.

92. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.

93. The Board may subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.

94. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fee if the Board so decides, or on payment of such fee (not exceeding ₹20 for each certificate) as the Directors shall prescribe. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

95. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed thereunder.

96. Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (*27*) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed under the Act.

97. Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such member in the event of death of the said member/s subject to the provisions of the Companies Act, 2013,and other applicable laws.

XV. SHAREHOLDERS' MEETINGS

98. An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government), and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.

99. All notices of, and other communications relating to, any General Meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.

100. All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.

101. Subject to the provisions of the Act, the business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the auditors; in the case of any other meeting, all business shall be deemed to be special.

102. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.

103. (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.

(ii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

(iii) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.

(iv) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

(v) A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance with the provisions of Section 101 of the Act. Provided that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.

(vi) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

(vii) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

XVI. PROCEEDINGS AT SHAREHOLDERS' MEETINGS

104. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.

105. No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant

106. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time from place to place.

107. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

108. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.

109. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

110. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.

111. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

112. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

113. If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

114. The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.

115. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.

116. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

117. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

118. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/her own motion and shall be ordered to be taken by him/her on a demand made in accordance with Section 109 of the Act.

119. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

120. Notwithstanding anything contained elsewhere in these Articles, the Company:

(i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and

(ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

121. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

122. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

123. The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.

124. If there is no such Chairperson or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.

125. If at any General Meeting no Director is willing to act as the Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairperson of the General Meeting. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands, shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

XVII. VOTES OF MEMBERS

126. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

(i) the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.

127. In the case of an equality of votes, the Chairman shall, on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a member.

128. A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable

129. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien or which have been transferred to IEPF

130. At any General Meeting, a resolution put to vote of the meeting shall be decided as per the provisions of the Act and applicable SEBI Regulations, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than ₹5,00,000 (Rupees five lakh) or such higher amount as may be prescribed has been paid up.

131. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

132. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

133. In case of joint holders, the vote of the senior who tenders a vote, whether in Person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

134. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

135. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

136. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meetings at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.

137. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

138. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.

139. The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

140. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.

141. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/her in accordance with Section 109 of the Act.

142. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.

143. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.

144. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

145. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.

146. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

147. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

148. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the proxy register with proxies and the register of Directors' holdings.

149. A body corporate (whether a company within the meaning of the Act or not) may,

(a) if it is member of the Company by a resolution of its board of directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company;

(b) if it is a creditor, (including a holder of debentures of the Company) by a resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

(c) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

XVIII. PROXY

150. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.

151. The proxy shall not be entitled to vote except on a poll.

152. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

153. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

154. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; *provided that* no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

XIX. DIRECTORS

155. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not restricted by the Act or by these Articles.

156. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), *provided that* the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days or for such number of days as may be notified by the Government from time to time in each financial year.

157. The Directors need not hold any qualification Shares in the Company.

158. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act and other applicable Law.

159. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company, in accordance with the provisions of the Act.

160. Subject to the applicable provisions of the Act and Law, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.

161. Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.

162. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an "**Original Director**"), subject to these Articles, the Board may appoint another Director (an "**Alternate Director**"), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

163. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

164. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

165. Subject to the provisions Section 169(5) and 169 (6) of the Companies Act, 2013, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, Independent Directors or Managing Director, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

166. The Directors who retire by rotation under Article 165 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot

167. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

168. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.

169. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.

170. Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.

171. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.

172. If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.

173. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act and as permitted under applicable Law. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.

174. The Company may, subject to the provisions of the Act and Law, take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XX. MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

175. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

176. Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.

177. Subject to the provisions of the Act, a managing director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine subject to the approval of the Shareholders at the next General Meeting and as per the applicable provisions of the Act and SEBI Regulations.

178. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a managing director or whole time director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

XXI. MEETINGS OF THE BOARD

179. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to the provisions of the Act and applicable SEBI Regulations.

180. A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board, subject to the provisions of the Act.

181. Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.

182. The quorum for the meeting of the Board shall be one third of its total strength or 3 (three) Directors, whichever is higher, including at least one Independent Director, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 3 (three), shall be the quorum during such time.

183. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

184. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

185. Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

186. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

187. The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.

188. In case of equality of votes, the Chairperson and the vice-Chairperson of the Board shall decide unanimously at Board meetings of the Company.

189. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.

190. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and applicable under Law.

191. A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

192. A committee may meet and adjourn as it thinks fit.

193. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.

194. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

195. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.

196. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

XXII. POWERS OF THE DIRECTORS

197. The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these Articles are expressly directed to be exercised by the Members in the General Meeting.

198. Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers covered under Section 179(3)(d) to Section 179(3)(f) to any committee of the Board, managers, or any other principal officer of the Company as they may deem fit and may at their own discretion revoke such powers.

199. The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.

200. Subject to the provisions of the Act, these Articles and other applicable provisions of Law, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; *provided that* the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

201. Subject to the provisions of the Act and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of Debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available.

202. The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies* and bills or may authorise any other Person or Persons to exercise such powers.

203. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

XXIII. SPECIAL NOTICE

204. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one percent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up and the Company shall give its members notice of the resolution in such manner as may be prescribed.

XXIV. BORROWING POWERS

205. Subject to the provisions of the Act and these Articles the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.

206. The Board of Directors shall not except with the consent of the Company by way of a Special Resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up Share Capital, free reserves and securities premium of the Company.

XXV. DIVIDEND AND RESERVES

207. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

208. Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

209. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

210. Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

211. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.

212. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

213. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.

214. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.

215. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

216. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

217. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.

218. No dividend shall bear interest against the Company.

219. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the equity Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on Share(s).

220. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.

221. Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

222. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

223. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.

XXVI. INSPECTION OF ACCOUNTS

224. (i) The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.

(ii) The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.

(iii) No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.

(iv) Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.

XXVII. DOCUMENTS AND NOTICES

225. Service of documents or notices on members by the Company

1. A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed.

2. A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

3. A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.

4. The signature to any document or notice to be given by the Company may be written or printed or lithographed, facsimile or through digital means.

5. Document or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company d) any other person or authority as may be applicable under the Act or SEBI Regulations.

6. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed. Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

XXVIII.REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

226. The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following:

(1) Register of Investments made by the Company but not held in its own name, as required by Section187 (3) of the Companies Act, 2013, and shall keep it open for inspection by any member or debenture holder of the Company without charge.

(2) Register of Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Companies Act, 2013, and shall keep them open for inspection by any creditor or member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.

(3) Register and Index of Members as required by Section 88 of the Companies Act, 2013, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.

(4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Companies Act, 2013, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of rupees fifty for each inspection.

(5) Foreign Register, if so thought fit, as required by Section 88 of the Companies Act, 2013, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as maybe required in the manner, mutatis mutandis, as is applicable to the Principal Register.

(6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Companies Act, 2013, and shall keep it open for inspection at the registered office of the Company during business hours by any member of the Company. The Company shall provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page

(7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Companies Act, 2013 and shall keep it open for inspection during business hours and the members of the Company shall have a right to take extracts therefrom and copies thereof, on a request by the members, be provided to them free of cost within thirty days. Such register shall also be kept open for inspection at every annual general meeting of the Company and shall be made accessible to any person attending the meeting.

(8) Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section186 (9) of the Companies Act, 2013. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.

(9) Books recording minutes of all proceedings of meetings in accordance with the provisions of Section 118 of the Companies Act, 2013.

(10) Copies of Annual Returns prepared under Section 92 of the Companies Act, 2013, together with the copies of certificates and documents required to be annexed thereto. Provided that any member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in this sub-clause (10) on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

XXIX. COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

227. The Company shall subject to the payment of the fee prescribed under Section 17 of the Companies Act,2013, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being.

(a) The Memorandum,
(b) The Articles, and
(c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Companies Act, 2013, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

XXX. SECRECY

228. Every manager, auditor, trustee, member of a Committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all *bona fide* transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the Law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles, the provisions of the Act and the Law.

XXXI. DIRECTOR, OFFICER NOT RESPONSIBLE FOR ACTS OF OTHERS

229. Subject to the provisions of Section 197 of the Companies Act, 2013, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

XXXII. WINDING UP

230. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended. (to the extent applicable).

XXXIII. THE SEAL

231. (i) The Board shall provide for the safe custody of the seal of the Company.

(ii) The seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or Company Secretary or any other official of the Company as the Board may decide and that 1 (one) Director or Company Secretary or such official shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014, as amended.

XXXIV. AUDIT

232. Subject to the provisions of the Act, the Company shall appoint an auditor at an Annual General Meeting to hold office from the conclusion of that Annual General Meeting until a continuous period of five years or such time as permitted under the Act and Law, and every auditor so appointed shall be informed of his appointment.

233. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Section 139 and 140 of the Act and the rules framed thereunder.

234. The remuneration of the auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company may in the General Meeting determine.

XXXV. NO MEMBER TO ENTER THE PREMISES OF THE COMPANY WITHOUT PERMISSION

235. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director; it would be inexpedient in the interest of the Company to disclose

XXXVI. UNDERWRITING

236. Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company, but so that the commission shall not exceed in the case

of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

XXXVII. GENERAL AUTHORITY

237. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

XXXVIII. INDEMNITY

238. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the National Company Law Tribunal.

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar agreement dated July 14, 2021 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
2. Offer agreement dated July 14, 2021 entered into between our Company, the Selling Shareholders and the BRLMs.
3. Cash escrow and sponsor bank agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members and the Banker(s) to the Offer.
4. Share escrow agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate agreement dated [●] entered into between our Company, the Selling Shareholders, the BRLMs, Registrar to the Offer and the Syndicate Members.
6. Underwriting agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Certificate of incorporation dated November 15, 1975.
3. Fresh certificate of incorporation consequent upon conversion to public limited company dated July 8, 2021.
4. Resolution of the Board of Directors dated July 13, 2021 in relation to the Offer and other related matters.
5. Resolution of the Board of Directors dated July 13, 2021 approving this Draft Red Herring Prospectus.
6. Resolution of the IPO committee of our Company dated July 14, 2021 approving this Draft Red Herring Prospectus.
7. Consent letters each dated July 13, 2021 from the Selling Shareholders in relation to the Offer for Sale.
8. Consent dated July 14, 2021 from Frost and Sullivan to rely on and reproduce part or whole of the F&S Report and include their name in this Draft Red Herring Prospectus.
9. Consent dated July 14, 2021 from the Statutory Auditors to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Financial Statements and their examination report dated July

13, 2021 on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 14, 2021 included in this Draft Red Herring Prospectus.

10. Consent dated July 14, 2021 from S.D Aras & Associates to include their name as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer and with respect to the details derived from their certificate dated July 9, 2021.

11. The examination report dated July 13, 2021 of the Statutory Auditors on our Restated Financial Statements.

12. The statement of possible special tax benefits dated July 14, 2021 from the Statutory Auditors.

13. Report titled “*Independent Market Report – India Chemicals and Speciality Chemicals Market Report*” dated July 14, 2021 prepared by Frost and Sullivan.

14. Copies of annual reports of our Company for the Fiscals 2021, 2020 and 2019.

15. Consent of the Directors, BRLMs, Syndicate Members, the legal counsel to our Company as to Indian law and Selling Shareholders, legal counsel to the BRLMs as to Indian Law, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.

16. Tripartite agreement dated May 10, 2021, among our Company, NSDL and the Registrar to the Offer.

17. Tripartite agreement dated May 14, 2021 among our Company, CDSL and the Registrar to the Offer.

18. Service agreement dated March 31, 2017 between our Company and Rushabh Vora;

19. Service agreement dated March 27, 2021 between our Company and Priya Vora;

20. Service agreement dated December 11, 2020 between our Company and Rajinder Harkara;

21. Due diligence certificate dated July 14, 2021 addressed to SEBI from the BRLMs.

22. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

23. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Prakash Mehta

Chairman and Independent Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Rushabh Vora

Managing Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Rajinder Harkara

Whole-time Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Priya Vora

Whole-time Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Mitul Vora

Non-Executive Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Chetan Desai

Independent Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Aditya Kapadia

Independent Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Girija Balakrishnan

Independent Director

Place: Mumbai

Date: July 14, 2021

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

Navaneet Krishnan

Chief Financial Officer

Place: Mumbai

Date: July 14, 2021

DECLARATION

We, Bhaichand Amoluk Consultancy Services LLP, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, disclosures and undertakings including, statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed for and on behalf of Bhaichand Amoluk Consultancy Services LLP

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Authorised Signatory
Name: Rushabh Vora
Designation: Designated Partner
Place: Mumbai
Date: July 14, 2021

DECLARATION

I, Mitul Vora, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and the Equity Shares being offered by us in the Offer are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, disclosures and undertakings including, statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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Mitul Vora

Place: Mumbai

Date: July 14, 2021

DECLARATION

I, Rushabh Vora, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself and the Equity Shares being offered by us in the Offer are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, disclosures and undertakings including, statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

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Rushabh Vora

Place: Mumbai

Date: July 14, 2021