DRAFT RED HERRING PROSPECTUS
Dated April 13, 2022
(Please read section 32 of the Companies Act, 2013)
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

(Please use this QR Code to view the DRHP)

PRASOL

PRASOL CHEMICALS LIMITED

CORPORATE IDENTITY NUMBER: U99999MH1992PLC065026

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON
Prasol House, Plot No A - 17/2/3, T. T. C, Industrial Area, Khairne M.I.D.C., Navi Mumbai, Thane, Maharashtra – 400710, India	Kiran Agrawal, Company Secretary and Compliance Officer

EMAIL	TELEPHONE	WEBSITE
investorservices@prasolchem.com	+ (91 22) 61952500	www.prasolchem.com

OUR PROMOTERS: NISHITH RAJNIKANT SHAH, GAURANG NATWARLAL PARIKH, DHAVAL NALIN PARIKH, PANKIL NISHITH DHARIA, SACHIN JATIN PARIKH, RAKESH GUPTA, NISHITH RASIKLAL DHARIA, KUNAL TUSHAR DHARIA, AND SUKETU NAVINCHANDRA PARIKH

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 2,500 million	Up to 9,000,000 Equity Shares aggregating up to ₹ [●] million	Up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIIs and RIIs, see "*Offer Structure*" on page 375.

OFFER FOR SALE – Top 10 Selling Shareholders based on number of Offered Shares (For details of other Selling Shareholders, refer to Annexure A)

NAME OF SELLING SHAREHOLDER***	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE [(1)] (IN ₹)	NAME OF SELLING SHAREHOLDER***	TYPE	NUMBER OF SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE [(1)] (IN ₹)
Usha Rajnikant Shah	Promoter Group	Up to 1,650,000	9.77	Sandhya Nishith Shah	Promoter Group	Up to 420,000	8.99
Nishith Rasiklal Dharia	Promoter	Up to 870,000	6.16	Dipti Nalin Parikh	Promoter Group	Up to 359,000	3.85
Gaurang Natwarlal Parikh	Promoter	Up to 630,000	4.81	Chamak Jatin Parikh	Promoter Group	Up to 325,000	15.24
Bhisham Kumar Gupta	Promoter Group	Up to 500,000	5.64	Sachin Jatin Parikh	Promoter	Up to 315,000	50.13
Dipti Nalin Parikh	Promoter Group	Up to 500,000	3.85	Bhisham Kumar Gupta	Promoter Group	Up to 300,000	5.64

****For further details of the Selling Shareholders, including their respective joint holders (as applicable) in respect of the Offered Shares, please see "Annexure A".*
[(1)]*As certified by JMT and Associates, pursuant to their certificate dated April 13, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares 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 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Selling Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 140), 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 or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 27.

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. Further, the Selling Shareholders, severally and not jointly, accept responsibility for, and confirm, that the statements made or confirmed by them in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to them and the Equity Shares offered by them under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange shall be **[●]**.

BOOK RUNNING LEAD MANAGERS

NAME OF BOOK RUNNING LEAD MANAGERS AND LOGO	CONTACT PERSON	TELEPHONE AND EMAIL
JM Financial Limited JM FINANCIAL	Prachee Dhuri	**Tel:** (+91 22) 6630 3030 **Email**: prasol.ipo@jmfl.com
DAM Capital Advisors Limited ***(Formerly IDFC Securities Limited)*** DAM CAPITAL	Gunjan Jain	**Tel:** (+91 22) 4202 2500 **E-mail:** prasol.ipo@damcapital.in

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	TELEPHONE AND EMAIL
KFin Technologies Limited	M. Murali Krishna	**Tel**: +91 40 6716 2222 / 1800 345 4001 **E-mail**: pcl.ipo@kfintech.com

BID/OFFER PROGRAMME

ANCHOR INVESTOR BID OFFER PERIOD	[●]*	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.*

PRASOL CHEMICALS LIMITED

Our Company was originally incorporated as "*Prachi Poly Products Private Limited*" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated January 24, 1992, issued by the Registrar of Companies, Maharashtra, at Mumbai ("**RoC**"). The name of our Company was subsequently changed to "*Prachi Poly Products Limited*", upon conversion into a public company, pursuant to a board resolution dated November 26, 1994, and a shareholders' resolution dated December 5, 1994, and a certificate of change of name was issued on January 10, 1995 by the RoC. Thereafter, the name of our Company was changed to "*Prasol Chemicals Limited*", to better represent our Company's name with its activities, pursuant to a board resolution dated December 7, 2006 and a shareholders' resolution dated January 18, 2007, and a certificate of change of name was issued on March 26, 2007 by the RoC. The name of our Company was subsequently changed to "*Prasol Chemicals Private Limited*", upon re-conversion into a private company, pursuant to a board resolution dated October 5, 2016 and a shareholders' resolution dated December 1, 2016, and a certificate of change of name was issued on June 5, 2017 by the RoC. The name of our Company was subsequently changed to "*Prasol Chemicals Limited*", upon conversion into a public company, pursuant to a board resolution dated December 23, 2021 and a shareholders' resolution dated January 15, 2022, and a certificate of change of name was issued on February 4, 2022 by the RoC. For details in relation to change in the address of the registered office of our Company, see "*History and Certain Corporate Matters*" on page 211.

Registered and Corporate Office: Prasol House, Plot No A – 17/2/3, T. T. C, Industrial Area, Khairne M.I.D.C., Navi Mumbai, Thane, Maharashtra – 400710, India; **Tel**: + (91) 22 61952500**;**
Contact Person: Kiran Agrawal, Company Secretary and Compliance Officer**; Tel**: +(91 22) 61952500
E-mail: investorservices@prasolchem.com; **Website**: www.prasolchem.com; **Corporate Identity Number**: U99999MH1992PLC065026

OUR PROMOTERS: NISHITH RAJNIKANT SHAH, GAURANG NATWARLAL PARIKH, DHAVAL NALIN PARIKH, PANKIL NISHITH DHARIA, SACHIN JATIN PARIKH, RAKESH GUPTA, NISHITH RASIKLAL DHARIA, KUNAL TUSHAR DHARIA, AND SUKETU NAVINCHANDRA PARIKH

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 SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,500 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 9,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY THE SELLING SHAREHOLDERS REFERRED TO IN ANNEXURE A (THE "SELLING SHAREHOLDERS" AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES, FOR A CASH CONSIDERATION AGGREGATING UP TO ₹ 500 MILLION, SUBJECT TO RECEIPT OF REQUISITE APPROVALS ("PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND THE PRE-IPO PLACEMENT WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR").

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 2 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. 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 [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●] A HINDI NATIONAL DAILY NEWSPAPER AND MUMBAI EDITION OF [●] A MARATHI NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, 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 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 to 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 and the Selling Shareholders may, in consultation with the BRLMs, 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, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of 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** and such portion, 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**"), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. 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 (excluding the Anchor Investor Portion) ("**Net QIB Portion**"). Further, 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 from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which (i) one third shall be reserved for applicants with application size of more than ₹0.2 million and up to ₹1 million, and (ii) two-thirds shall be reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 378.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares 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 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Selling Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 140), 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 or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 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 27.

OUR COMPANY'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. Further, the Selling Shareholders, severally and not jointly, accept responsibility for, and confirm, that the statements made or confirmed by them in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to them and the Equity Shares offered by them under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once 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 signed 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 further 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 **410.**

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM FINANCIAL	DAM CAPITAL	KFINTECH EXPERIENCE TRANSFORMATION
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025, Maharashtra, India **Tel:** (+91 22) 6630 3030 **Email**: prasol.ipo@jmfl.com **Investor Grievance Email:** grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.:** INM000010361	**DAM Capital Advisors Limited** ***(Formerly IDFC Securities Limited)*** One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Maharashtra, India **Tel:** +(91 22) 4202 2500 **E-mail:** prasol.ipo@damcapital.in **Website:** www.damcapital.in **Investor grievance e-mail:** complaint@damcapital.in **Contact person:** Gunjan Jain **SEBI Registration No:** MB/INM000011336	**KFin Technologies Limited** (*formerly known as K Fin Technologies Private Limited*) Selenium, Tower-B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032, Telangana, India **Tel**: +(91 40) 6716 2222 / 1800 309 4001 **E-mail**: pcl.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact person**: M. Murali Krishna **SEBI registration no.**: INR000000221

BID/OFFER PROGRAMME

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

* *Our Company and the Selling Shareholders may, in consultation with the BRLMs, 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 may, in consultation with the BRLMs, 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.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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 "Industry Overview", Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Information", "Basis for the Offer Price", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities" and "Description of Equity Shares and Terms of Articles of Association", on pages 148, 206, 143, 244, 140, 352, 395 *and* 396, *respectively, will have the meaning ascribed to such terms in those respective sections.*

Company and Selling Shareholders related terms

Term	Description
"We", "us", "our", "our Company", "the Company" or "the Issuer"	Prasol Chemicals Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Prasol House, Plot No A – 17/2/3, T. T. C, Industrial Area, Khairne M.I.D.C., Navi Mumbai, Thane, Maharashtra – 400710, India.
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended.
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 215.
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time.
"Chairman and Whole-Time Director"	The Chairman and Whole-time Director of our Board, being Nishith Rajnikant Shah.
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, being Hitesh Harendrakumar Sheth.
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, being Kiran Agrawal.
"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 215.
"CRISIL"	CRISIL Limited.
"CRISIL Report"	Report titled "*Assessment of the specialty chemicals industry in India*" dated April 2022 prepared by CRISIL, which is exclusively prepared for the purpose of the Offer and is commissioned and paid for by our Company. CRISIL was appointed on December 16, 2021 pursuant to an engagement letter entered into with our Company. CRISIL Report is available on the website of our Company at www.prasolchem.com/investor-relations/
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time.
"Equity Shares"	Equity shares of our Company of face value of ₹2 each.
"Executive Directors"	Executive director(s) of our Company. For further details of the Executive Directors, see "*Our Management*" on page 215.
"Group Company"	Our group company as disclosed in the section "*Group Company*" on page 241.
"IPO Committee"	The IPO committee of our Board constituted *vide* resolution of the Board dated February 24, 2022.
"Joint Managing Director"	The Joint Managing Director of our Company, being Dhaval Nalin Parikh.
"Joint Statutory Auditors"	The joint statutory auditors of our Company, being CNK & Associates LLP and S. V. Shanbhag & Co.

Term	Description
"Khopoli Facility"	The manufacturing facility of our Company, situated at Khopoli, Raigad, Maharashtra – 410203, India.
"KMP" or "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, as disclosed in "*Our Management*" on page 215.
"LOA Selling Shareholders"	All Selling Shareholders, except Kunal Tushar Dharia, Suketu Navinchandra Parikh, Ami Tushar Dharia, Tushar Natverlal Dharia, Lina Suketu Parikh, Bhisham Kumar Gupta, and Dipak Amarshi (along with their respective joint holders of the Offered Shares).
"Mahad Facility"	The manufacturing facility of our Company, situated at Mahad, Raigad, Maharashtra – 410203, India.
"Managing Director"	The managing director of our Company, being Gaurang Natwarlal Parikh.
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board dated April 9, 2022 for identification of the (a) material outstanding litigation proceedings; (b) group companies; and (c) material 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 Prospectus.
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended.
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in "*Our Management*" on page 215.
"Non-Executive Independent Director"	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Non-Executive Independent Directors, see "*Our Management*" on page 215.
"Other Selling Shareholders"	The Other Selling Shareholders, as set out under **Annexure A.**
"Promoters"	Promoters of our Company namely, Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh, Pankil Nishith Dharia, Sachin Jatin Parikh, Rakesh Gupta, Nishith Rasiklal Dharia, Kunal Tushar Dharia and Suketu Navinchandra Parikh. For further details, see "*Our Promoters and Promoter Group*" on page 232.
"Promoter Selling Shareholders"	The Promoter Selling Shareholders, as set out under **Annexure A.**
"Promoter Group Selling Shareholders"	The Promoter Group Selling Shareholders, as set out under **Annexure A.**
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 232.
"Registered and Corporate Office"	The registered and corporate office of our Company situated at Prasol House, Plot No A - 17/2/3, T. T. C, Industrial Area, Khairne M.I.D.C., Navi Mumbai, Thane, Maharashtra – 400710, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai.
"Restated Financial Information"	The Restated Financial Information of Prasol Chemicals Limited, which comprises of the Restated Balance Sheet as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the nine months period ended December 31, 2021 and each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Significant Accounting Policies and explanatory notes to Restated Financial Information, as approved by the Board of Directors and prepared as per the requirements of Section 26(1) of Part I of Chapter III of the Companies Act, 2013, relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company's Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
"Shareholders' Agreement(s)"	"Shareholders' Agreement(s)" shall have the meaning ascribed to it in *"History and Certain Corporate Matters - Details of Shareholders Agreements*" on page 213 of this Draft Red Herring Prospectus.
"Selling Shareholders"	Collectively, the Promoter Selling Shareholders, Promoter Group Selling Shareholders and Other Selling Shareholders.
"Shareholder(s)"	The holders of the Equity Shares from time to time.

Term	Description
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 215.

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 relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment 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 and who has Bid for an amount of at least ₹100 million.
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs.
"Anchor Investor Application Form"	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
"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"	The 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 Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date.
"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, out of which one third 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.
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by Bidders (other than Anchor Investors) to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs 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 as specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an RIB linked to a UPI ID, which will be blocked in relation to a Bid by a RIB 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.
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Banks, as the case may be.
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 378.
"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

Term	Description
	Investor, pursuant to the submission of an 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.
"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.
"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 RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable.
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires.
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
"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 all editions [●], an English daily national newspaper, all editions of [●] a Hindi national daily newspaper, and Mumbai edition of [●], a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation. In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks, 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 also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the 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 Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall also be published in all editions of English national daily newspaper [●], all editions of Hindi national daily newspaper [●] and Mumbai edition of Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).
"Bid/Offer Period"	Except in relation to 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 thereto 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. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only.
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely JM Financial Limited and DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*).
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with

Term	Description
	the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date.
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	The agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, *inter alia*, for the appointment of the Sponsor Banks in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
"Circular on Streamlining of Public Issues"/ "UPI Circular"	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
"Client ID"	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
"Cut-off Price"	The Offer Price, as 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 Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders 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, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable.
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com).
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, 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 the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer.
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.

Term	Description
	In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs 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 Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated April 13 , 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer, and includes any addenda or corrigenda thereto.
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
"Escrow Account(s)"	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●].
"Fraudulent Borrower"	A fraudulent borrower, as defined under the SEBI ICDR Regulations.
"First Bidder"	The 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, i.e. ₹ [●] 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.
"Fresh Issue"	The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹2,500 million by our Company.
"Fugitive Economic Offender"	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEB circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
"Gross Proceeds"	The Offer proceeds from the Fresh Issue.
"June 2021 Circular"	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.
"March 2021 Circular"	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
"Monitoring Agency"	[●]
"Monitoring Agency Agreement"	The agreement to be entered into between our Company and the Monitoring Agency.
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"Mutual Fund Portion"	Up to 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.
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 128.
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors.
"Non-Institutional Investors" or "NII(s)" or	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).

Term	Description
"Non-Institutional Bidders" or "NIB(s)"	
"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 to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price, subject to the following and in accordance with the SEBI ICDR Regulations, out of which: i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the sub-categories specified in (i) and (ii) above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA.
"Offer"	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,500 million by our Company and an offer for sale of up to 9,000,000 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders. Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
"Offer Agreement"	The agreement dated April 13, 2022 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
"Offer for Sale"	The offer for sale of up to 9,000,000 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders.
"Offer Price"	₹ [●] per Equity Share, being the final price within the Price Band, at which the 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 and the Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.
"Offered Shares"	Up to 9,000,000 Equity Shares being offered by Selling Shareholders as part of the Offer for Sale.
"Pre – IPO Placement"	A further issue of Equity Shares, for a cash consideration aggregating up to ₹ 500 million, subject to receipt of requisite approvals, which may be undertaken by our Company, in consultation with and the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC.
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Price. 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 [●] an English national daily newspaper, all editions of [●] a Hindi national daily newspaper, and Mumbai edition of [●] a Marathi newspaper (each of which are widely circulated English, Hindi and Marathi newspapers, respectively, 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, 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, amongst other things, the Offer Price that is determined at

Term	Description
	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 Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
"Public Offer Account(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
"QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price.
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of 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 red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank, 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 Broker"	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 the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
"Registrar Agreement"	The agreement dated April 13, 2022 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars.
"Registrar", or "Registrar to the Offer"	KFin Technologies Limited.
"Resident Indian"	A person resident in India, as defined under FEMA.
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer
"Retail Portion"	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"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), as applicable. QIB Bidders and Non-Institutional Bidders 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 Bidders Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the 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 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the 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 may be prescribed by SEBI from time to time.

Term	Description
	Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time.
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement.
"Share Escrow Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.
"Sponsor Banks"	The Bankers to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any 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, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
"Syndicate Members"	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, [●].
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members.
"Systemically Important Non-Banking Financial Company" or "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 to be entered into amongst the Underwriters, the Selling Shareholders and our Company 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 ID"	ID created on UPI for single-window mobile payment system developed by the NPCI.
"UPI Mandate Request"	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Banks to authorise blocking of funds in the relevant ASBA Account through the UPI linked mobile application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with the 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, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
"UPI Mechanism"	The Bidding mechanism that may be used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars.
"UPI PIN"	Password to authenticate UPI transaction.
"Wilful Defaulter"	A wilful defaulter, as defined under the SEBI ICDR Regulations.
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars.

Technical/Industry Related Terms/Abbreviations

Term	Description
"Assets Turnover"	Revenue from operation, divided by average written down value of Total assets
"API"	Active Pharmaceuticals Ingredient
"CAGR"	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 (^ denotes 'raised to')
"CC"	Cash credit
"Capital Employed"	Capital Employed is calculated as Net Worth plus total debt and deferred tax liability
"EBIT"	Earnings before interest, tax calculated as restated profit after tax for the year, plus total tax and interest expenses
"EBITDA"	Earnings before interest, taxes, depreciation and amortization expenses calculated as restated profit after tax for the year, plus total tax expense, finance costs and depreciation and amortization expenses
"ECHA"	European Chemicals Agency
"EBITDA Margin"	EBITDA as a percentage of total income
"EPS"	Earnings per share
"ETP"	Effluent Treatment Plant
"Fixed Assets Turnover"	Revenue from operation net of trading sales, divided by average written down value of fixed assets, excluding capital work in progress.
"MCLR"	Marginal cost of funds based lending rate.
"MEE"	Multi-effect Evaporator
"NAV"	Net asset value
"Net Worth"	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 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
"NWC"	Net working capital calculated as total current assets less total current liabilities
"PAT"	Profit after tax for the period
"PAT Margin"	Profit after tax for the period as a percentage of total income
"P/E Ratio"	Price/Earnings ratio
"R&D"	Research and development
"REACH"	Registration, Evaluation, Authorisation and Restriction of Chemicals
"ROA"	Return on asset calculated as profit for the year/ period divided by average total assets
"ROCE"	Return on capital employed calculated as EBIT divided by capital employed
"ROE"	Return on equity calculated as PAT attributable to owners of the Company divided by average shareholders' equity
"RONW"	Return on net worth calculated as PAT attributable to owners of the Company divided by Net Worth
"SEO"	Search Engine Optimisation
"WC"	Working capital
"WCDL"	Working capital demand loan

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time.
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"CAGR"	Compounded Annual Growth Rate
"Calendar Year" or "year"	Unless the context otherwise requires, shall refer to the twelve month period ending December 31.
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.

Term	Description
"Category II AIF"	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
"Category I FPIs"	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations.
"Category II FPIs"	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations.
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations.
"CCI"	Competition Commission of India
"CDSL"	Central Depository Services (India) Limited
"Companies Act, 1956"	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder.
"Companies Act" / "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force.
"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.
"Cr.P.C."	Code of Criminal Procedure, 1973
"CSR"	Corporate social responsibility
"Demat"	Dematerialised
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DGFT"	Directorate General of Foreign Trade
"DIN"	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"DPIIT"	Department for Promotion of Industry and Internal Trade
"FDI"	Foreign direct investment
"FDI Policy"	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India *(earlier known as the Department of Industrial Policy and Promotion*).
"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" or "F.Y."	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise.
"FIR"	First information report
"FPI(s)"	Foreign Portfolio Investor, as defined under the FPI Regulations.
"FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"FIPB"	The *erstwhile* Foreign Investment Promotion Board
"FVCI"	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations.
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"GDP"	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and services tax
"HUF"	Hindu undivided family
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICSI"	The Institute of Company Secretaries of India
"ICWAI"	The Institute of Cost & Works Accountants of India
"ICDS"	Income Computation and Disclosure Standards
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board.
"India"	Republic of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules.
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended.

Term	Description
"IPC"	The Indian Penal Code, 1860
"IPR"	Intellectual property rights
"IPO"	Initial public offer
"IST"	Indian standard time
"IT Act"	The Income Tax Act, 1961
"IT"	Information technology
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges.
"MCA"	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
"N.A."	Not applicable
"NACH"	National Automated Clearing House
"NBFC"	Non-Banking Financial Company
"NEFT"	National electronic fund transfer
"NPCI"	National Payments Corporation of India
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
"NRI" or "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" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of 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 was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"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 AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations" or "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, 1999
"SEBI SBEB Regulations 2021"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
"SEBI VCF Regulations"	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations.
"SICA"	The *erstwhile* Sick Industrial Companies (Special Provisions) Act, 1985.
"STT"	Securities Transaction Tax
"State Government"	Government of a State of India
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
"U.S.A"/ "U.S."/ "United States"	The United States of America, its territories and possessions, any State of the United States, and the District of Columbia.
"USD" or "US$"	United States Dollars

Term	Description
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"VAT"	Value added tax
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be.

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

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession 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 stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless the context otherwise requires or indicates, the financial information and any percentage amounts or ratios (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 192 and 335, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from our Restated Financial Information. Our Restated Financial Information have been compiled from (i) Special Purpose Interim Ind AS Financial Statements of our Company as at and for the nine months period ended December 31, 2021 prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended ("**Ind AS**"), and other accounting principles generally accepted in India, (ii) Special Purpose Ind AS Financial Statements of our Company as at and for the year ended March 31, 2021, 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, and (iii) Special Purpose Ind AS Financial Statements of our Company as at and for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS prescribed under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

The Restated Financial Information has been prepared in accordance with the requirements of Section 26 (I) of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI.

For further information on our Company's financial information, see "*Financial Statements*" on page 244.

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; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, 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. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

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. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the 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.

Non-GAAP Measures

Certain financial measures and statistical information such as EBITDA, EBITDA margin, asset turnover ratio, debt to equity, net debt to EBITDA, ROCE, ROE, net working capital days, PAT and PAT margin (together, "**Non – GAAP Measures**"), presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. Further, these Non – GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, since these Non – GAAP Measures are not standardised terms, a direct comparison of these Non – GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP 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. See "*Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.*" on page 48.

Currency and Units of Presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of India; and

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million", "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

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

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

Currency	As on December 31, 2021	As on March 31, 2021(₹)	As on March 31, 2020 (₹)	As on March 31, 2019(₹)(1)
1 USD	74.30	73.50	75.39	69.17

(Source: USD -www.fbil.org.in)

(1) *In case of a public holiday, the previous working day i.e. March 29, 2019 not being a public holiday has been considered.*

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 27.

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained or derived from the report titled "*Assessment of the specialty chemicals industry in India*" in April 2022 prepared by CRISIL, who was appointed by our Company on December 16, 2021, (the "**CRISIL Report**") and publicly available information as well as other industry publications and sources. The CRISIL Report has been commissioned by our Company exclusively for the purposes of the Offer for an agreed fee and is available at our Company's website, at www.prasolchem.com. Further, CRISIL, vide their letter dated April 11, 2022 ("**Letter**") has accorded their no objection and consent to use the "*Assessment of the specialty chemicals industry in India*" Report and the contents thereof. CRISIL *vide* their Letter has also confirmed that they are an independent agency, and confirmed that they are not related to our Company, BRLMs, our Directors and our Promoters. For further details in relation to risks involving the CRISIL Report, see "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report which has been exclusively commissioned and paid for by our Company.*" on page 48.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains certain data and statistics from the CRISIL Report, which is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL is not responsible for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Prasol Chemicals Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published_/_reproduced in any form without CRISIL's prior written approval."*

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts 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", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals 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. Similarly, statements that describe our strategies, objectives, plans or goals are also 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, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

1. Continuing impact of the outbreak of COVID-19;
2. Any decline in the demand for the end products;
3. Unplanned slowdowns, unscheduled shutdowns or prolonged disruptions in our manufacturing operations or under – utilization of our manufacturing capacities;
4. Any manufacturing or quality control problems may subject us to regulatory action, damage reputation;
5. Any loss of one or more of our suppliers or customers or a reduction in their demand for our products;
6. Any prolonged disruption on the availability of timely and cost-efficient transportation and other logistic facilities;
7. Any increase in the cost of raw material or other purchases or a shortfall in the supply of our raw materials; and
8. Any failure of control systems, mishandling of hazardous chemicals, leakages, explosion or any adverse incident related to the use of raw materials or otherwise during the manufacturing process, transportation, handling or storage of products and certain raw materials.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 27, 192 and 335, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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, our Directors, our Promoters, the Selling Shareholders, the BRLMs, the Syndicate Member nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling

Shareholders shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the 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*", "*The Offer*", "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*Objects of the Offer*", "*Our Promoters and Promoters Group*", "*Financial Statements*", "*Outstanding Litigation and Material Developments*", *"Offer Structure", "Management's Discussions and Analysis of Financial Position and Results of Operations*" on pages 27, 58, 75, 148, 192, 128, 232, 244, 352, 375, and 335 respectively.

Primary business of our Company

We are among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India *(Source: CRISIL Report)*. Our products have end uses in four segments namely pharmaceuticals, agrochemicals, home and personal care and performance chemicals. We are a Government of India certified Two Star Export House Company with the global distribution network spread across 45 countries across Asia, North America and the European Union as on December 31, 2021.

Summary of the industry in which our Company operates

The global forecast for chemicals production is upbeat, particularly in China and emerging markets. Even though the chemicals sector shrank marginally during the peak of the pandemic, new opportunities are emerging because of changes in consumer demand and new technology. Asia-Pacific is the largest region in the global chemicals market, accounting for 55% of the market in 2021. Europe (including Russia) is the second largest, followed by North America, having accounted for 20% and 15% the global chemicals market, respectively, in 2021. Africa is the smallest region in the global chemicals market. Country-wise, China, Germany, Japan, and the US are leaders in the chemicals space. *(Source: CRISIL Report).*

Names of the Promoters

Our Promoters are Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh, Pankil Nishith Dharia, Sachin Jatin Parikh, Rakesh Gupta, Nishith Rasiklal Dharia, Kunal Tushar Dharia, and Suketu Navinchandra Parikh. For further details, see "*Our Promoters and Promoter Group*" on page 232.

Offer Size

Offer of Equity Shares(1)(4)	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which	
Fresh Issue(1)(2)	Up to [●] Equity Shares, aggregating up to ₹ 2,500 million
Offer for Sale(3)	Up to 9,000,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders

(1) Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

(2) The Offer has been authorized by a resolution of our Board dated February 24, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated March 3, 2022.

(3) The Selling Shareholders have, severally and not jointly, confirmed and authorized their participation in the Offer for Sale. The Equity Shares to be offered by the Selling Shareholders in the Offer for Sale have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and are accordingly, eligible for being offered for sale in the Offer for Sale. For further details of authorisations pertaining to the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 358.

(4) 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. 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 Net 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 further details, see "Offer Procedure" on page 378*.*

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company.

The above table summarises the details of the Offer. For further details of the offer, see "*The Offer*" and "*Offer Structure*" on pages 58 and 375, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(In ₹ million)

Particulars	Amount
Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company	1,600.00
Funding working capital requirements of our Company	300.00
General corporate purposes*	[•]
Total**	[•]

** The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Fresh Issue.*
*** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

For further details, see "*Objects of the Offer*" on page 128.

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

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold (a) 16,500,000 Equity Shares aggregating to 28.45% of the issued, subscribed and paid-up Equity Share capital of our Company (held as first holders), and (b) 35,999,000 Equity Shares aggregating to 62.07% of the issued, subscribed and paid-up Equity Share capital of our Company (as first or second holders).

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

S No.	Name of shareholder	Pre-Offer equity share capital	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
	Promoters (held as first holders)		
1.	Dhaval Nalin Parikh*	1,800,000	3.10
2.	Gaurang Natwarlal Parikh*	5,200,000	8.97
3.	Nishith Rajnikant Shah*	100,000	0.17
4.	Pankil Nishith Dharia*	20,000	0.03
5.	Rakesh Gupta*	200,000	0.34
6.	Sachin Jatin Parikh*	2,000,000	3.45
7.	Suketu Navinchandra Parikh*	400,000	0.69
8.	Kunal Tushar Dharia*	1,800,000	3.10
9.	Nishith Rasiklal Dharia*	4,980,000	8.59
	Total (A)	**165,00,000**	**28.45**
	Promoter Group (held as first holders)		
1.	Sandhya Nishith Shah*	40,20,000	6.93
2.	Anvi Nishith Shah*	5,00,000	0.86
3.	Usha Rajnikant Shah*	74,80,000	12.90
4.	Tanvi Gaurang Parikh*	2,00,000	0.34
5.	Gaurang Natwarlal Parikh HUF	10,00,000	1.72
6.	Suhagi Dhaval Parikh*	4,00,000	0.69
7.	Dipti Nalin Parikh*	42,00,000	7.24
8.	Nihir Nalin Parikh*	18,00,000	3.10
9.	Janhavi Nihir Parikh*	2,00,000	0.34
10.	Kinjal Pankil Dharia*	8,00,000	1.38
11.	Sonal Nishith Dharia*	20,79,000	3.59
12.	Riddhi Mihir Kapadia*	20,000	0.03
13.	Shruti Sachin Parikh*	2,00,000	0.34
14.	Jignasha Jay Kantawala*	6,00,000	1.03
15.	Chamak Jatin Parikh *	13,00,000	2.24

S No.	Name of shareholder	Pre-Offer equity share capital	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital
16.	Jatin Narendra Parikh*	13,00,000	2.24
17.	Veenu Rakesh Gupta*	10,00,000	1.72
18.	Raksha Bhisham Gupta*	4,00,000	0.69
19.	Bhisham Kumar Gupta*	32,00,000	5.52
20.	Ami Tushar Dharia*	10,00,000	1.72
21.	Tushar Natverlal Dharia*	24,00,000	4.14
22.	Tushar Natverlal Dharia HUF	12,00,000	2.07
23.	Pushpa Navinchandra Parikh*	4,00,000	0.69
24.	Sundeep Navinchandra Parikh*	4,00,000	0.69
25.	Lina Suketu Parikh*	4,00,000	0.69
26.	Sheetal Sandeep Parikh*	4,00,000	0.69
27.	Sonal Dharia Family Trust	1,000	Negligible
	Total (B)	**3,69,00,000**	**63.62**
Selling Shareholders (held as first holders)			
1.	Sandhya Nishith Shah*	40,20,000	6.93
2.	Gaurang Natwarlal Parikh*	52,00,000	8.97
3.	Usha Rajnikant Shah*	74,80,000	12.90
4.	Rakesh Gupta*	2,00,000	0.34
5.	Gaurang Natwarlal Parikh HUF	10,00,000	1.72
6.	Suhagi Dhaval Parikh*	4,00,000	0.69
7.	Dipti Nalin Parikh*	42,00,000	7.24
8.	Nihir Nalin Parikh*	18,00,000	3.10
9.	Janhavi Nihir Parikh*	2,00,000	0.34
10.	Kinjal Pankil Dharia*	8,00,000	1.38
11.	Sonal Nishith Dharia*	20,79,000	3.58
12.	Sachin Jatin Parikh*	20,00,000	3.45
13.	Suketu Navinchandra Parikh*	4,00,000	0.69
14.	Jignasha Jay Kantawala*	6,00,000	1.03
15.	Chamak Jatin Parikh*	13,00,000	2.24
16.	Kunal Tushar Dharia*	18,00,000	3.10
17.	Veenu Rakesh Gupta*	10,00,000	1.72
18.	Raksha Bhisham Gupta*	4,00,000	0.69
19.	Bhisham Kumar Gupta*	32,00,000	5.52
20.	Ami Tushar Dharia*	10,00,000	1.72
21.	Tushar Natverlal Dharia*	24,00,000	4.14
22.	Tushar Natverlal Dharia HUF	12,00,000	2.07
23.	Pushpa Navinchandra Parikh*	4,00,000	0.69
24.	Sundeep Navinchandra Parikh*	4,00,000	0.69
25.	Lina Suketu Parikh*	4,00,000	0.69
26.	Sheetal Sandeep Parikh*	4,00,000	0.69
27.	Dipak Amarshi#	26,00,000	4.48
28.	Heta T. Parikh	10,00,000	1.72
29.	Namita T. Parikh	10,00,000	1.72
30.	Nishith Rasiklal Dharia*	49,80,000	8.59
	Total (C)	**5,38,59,000**	**15.52**

**Held jointly with certain other Shareholders (who are members of the Promoter Group).*
#Held jointly with certain other Shareholders.

Summary of select financial information

The summary of our select financial information as per the Restated Financial Information is set forth below:

(In ₹ million except per share data)

Particulars	Nine months period ended December 31, 2021(2)	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity share capital	29.00	29.00	29.00	29.00
Net Worth/ Equity attributable to owners of the Company (excluding non controlling interest)(1)	2,295.19	1,802.14	1,553.93	1,187.54

Particulars	Nine months period ended December 31, 2021[(2)]	Fiscal 2021	Fiscal 2020	Fiscal 2019
Revenue from Operations	6,269.32	5,955.40	5,312.40	4,983
Profit for the period/ year	500.96	250.84	377.74	237.20
Total comprehensive income for the period/ year (net of tax)	497.39	252.54	377.07	237.05
Earnings per share [(2)]				
- Basic	34.55	17.30	26.05	16.36
- Diluted	34.55	17.30	26.05	16.36
Net Asset Value per equity share [(3)]	158.29	124.29	107.17	81.90
Total Borrowing	1,600.08	1,622.38	1,387.73	1,464.06

Notes:

(1) *Net worth is calculated as 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 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*

(2) *The basic earnings per share, diluted earnings per share and net asset value per share has been computed on the basis of equity shares as on December 31, 2021. For details, please see Note 40 "Earnings per Share" to the Restated Financial Information.*

(3) *NAV per Equity Share = Net Worth as per Restated Financial Information divided by Total number of Equity Share.*

For further details see "*Financial Statements*" on page 244.

Qualifications of the Joint Statutory Auditors which have not been given effect to in the Restated Financial Information

The Joint Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Group Company, our Promoters and our Directors as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes (other than claims by statutory or regulatory authorities)	5	16.33
Other pending material litigation proceedings#	Nil	Nil
Total	**5**	**16.33**
Cases by our Company		
Criminal proceedings	2	2.12
Other pending material proceedings#	4	22.76
Total	**11**	**24.88**
Cases against our Promoters		
Criminal proceedings	2	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**2**	**Nil**
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**Nil**	**Nil**
Cases against the Directors, other than Promoters		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**Nil**	**Nil**

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases by the Directors, other than Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**Nil**	**Nil**
Cases against the Group Company		
Pending litigation which has a material impact on our Company	Nil	Nil
Total	**Nil**	**Nil**
Cases by the Group Company		
Pending litigation which has a material impact on our Company	Nil	Nil
Total	**Nil**	**Nil**

**To the extent quantifiable.*
 # In accordance with the Materiality Policy.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 352.

Risk Factors

For details of certain risks applicable to us, see "*Risk Factors*" on page 27.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities of our Company as at December 31, 2021, derived from the Restated Financial Information are set forth below:

Sr. No.	Particulars	Amount (in ₹ million)
1.	Claims against the company not acknowledged as debt	16.33
2	Guarantees excluding financial guarantees	16.32
	Total	**32.65**

For further details of the contingent liabilities of our Company as on December 31, 2021, see "*Restated Financial Information – Note 35 - Contingent Liabilities*" on page 296.

Summary of Related Party Transactions

Summary of the related party transactions derived from the Restated Financial Information, is as follows:

(In ₹ million)

Sr. No.	Nature of Transactions	Nine months period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
1	Advance for equipment	-	-	7.86	1.73
2	Directors' remuneration	68.69	64.04	38.11	35.21
3	Interest paid	6.78	8.28	7.11	2.49
4	Loan repaid	210.44	54.43	50.15	57.63
5	Loan taken	106.98	86.01	79.80	58.95
5	Professional charges	-	6.42	1.12	3.26
6	Purchase of equipments, including freight thereon	13.66	26.96	22.68	18.69
7	Purchase of MEIS license	1.26	0.44	6.81	2.14
8	Purchase of stores & consumables	3.44	3.13	2.02	3.00
9	Remuneration payable	2.75	7.39	3.53	8.45
11	Loan payable	-	103.46	71.87	42.23
12	Trade payables	2.63	3.29	2.45	0.60
13	Salary	2.54	-	-	-
14	Salary payable	0.34	-	-	-

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see "*Restated Financial Information- Note 46 - "Related Party Relationships, Transactions and Balances*" on page 323.

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 of any securities of our Company by any other person 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 our Promoters and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which our Promoters and the Selling Shareholders acquired the Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares acquired^	Weighted Average Price of Equity Shares acquired (in ₹, as computed for Equity Shares acquired as first holder)#
Promoters**		
Dhaval Nalin Parikh	1,350,000	Nil
Gaurang Natwarlal Parikh*	3,900,000	Nil
Nishith Rajnikant Shah	75,000	Nil
Pankil Nishith Dharia	15,000	Nil
Rakesh Gupta*	150,000	Nil
Sachin Jatin Parikh*	1,500,000	Nil
Suketu Navinchandra Parikh*	300,000	Nil
Kunal Tushar Dharia*	1,350,000	Nil
Nishith Rasiklal Dharia*	3,980,000	Nil
Promoter Group Selling Shareholders**		
Ami Tushar Dharia	750,000	Nil
Bhisham Kumar Gupta	2,400,000	Nil
Chamak Jatin Parikh	975,000	Nil
Dipti Nalin Parikh	3,150,000	Nil
Gaurang N Parikh (HUF) ^^	750,000	Nil
Janhavi Nihir Parikh	150,000	Nil
Jignasha Jay Kantawala	450,000	Nil
Kinjal Pankil Dharia	600,000	Nil
Lina Suketu Parikh	300,000	Nil
Nihir Nalin Parikh	1,350,000	Nil
Pushpa Navinchandra Parikh	300,000	Nil
Raksha Bhisham Gupta	300,000	Nil
Sandhya Nishith Shah	3,015,000	Nil
Sheetal S Parikh	300,000	Nil
Sonal Nishith Dharia	1,980,000	Nil
Suhagi Dhaval Parikh	300,000	Nil
Sundeep N Parikh	300,000	Nil
Tushar Natverlal Dharia	2,150,000	Nil
Tushar Natwarlal Dharia (HUF) ^^	900,000	Nil
Usha Rajnikant Shah	5,680,000	0.22
Veenu Rakesh Gupta	750,000	Nil
Other Selling Shareholders**		
Dipak Mangalshi Amarshi	1,950,000	Nil
Heta Tushar Parikh^^	950,000	Nil
Namita Tushar Parikh^^	950,000	Nil

\# *As certified JMT and Associates, Chartered Accountants, by way of their certificate dated April 13, 2022.*

* *Also a Selling Shareholder.*

** *For further details of the Selling Shareholders, including their respective joint holders (as applicable) in respect of the Offered Shares, please see "Annexure A".*

^ *Reflected on a first holder basis.*

^^ *Does not have joint shareholding.*

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

The average cost of acquisition per Equity Share of the Equity Shares held by our Promoters and the Selling Shareholders, as at the date of this Draft Red Herring Prospectus, is set forth below:

Name	Number of Equity Shares ^	Average cost of acquisition (in ₹, as computed for Equity Shares held as first holder)[#]
Promoters**		
Dhaval Nalin Parikh	1,800,000	2.62
Gaurang Natwarlal Parikh*	5,200,000	4.81
Nishith Rajnikant Shah	100,000	57.50
Pankil Nishith Dharia	20,000	20.00
Rakesh Gupta*	200,000	5.33
Sachin Jatin Parikh*	2,000,000	50.13
Suketu Navinchandra Parikh*	400,000	2.47
Kunal Tushar Dharia*	1,800,000	3.66
Nishith Rasiklal Dharia*	4,980,000	6.16
Promoter Group Selling Shareholders**		
Ami Tushar Dharia	1,000,000	3.74
Bhisham Kumar Gupta	3,200,000	5.64
Chamak Jatin Parikh	1,300,000	15.24
Dipti Nalin Parikh	4,200,000	3.85
Gaurang N Parikh (HUF)^^	1,000,000	15.23
Janhavi Nihir Parikh	200,000	21.25
Jignasha Jay Kantawala	600,000	21.25
Kinjal Pankil Dharia	800,000	15.85
Lina Suketu Parikh	400,000	2.20
Nihir Nalin Parikh	1,800,000	3.27
Pushpa Navinchandra Parikh	400,000	2.56
Raksha Bhisham Gupta	400,000	2.68
Sandhya Nishith Shah	4,020,000	8.99
Sheetal S Parikh	400,000	2.48
Sonal Nishith Dharia	2,079,000	3.28
Suhagi Dhaval Parikh	400,000	21.25
Sundeep N Parikh	400,000	2.41
Tushar Natverlal Dharia	2,400,000	3.13
Tushar Natwarlal Dharia (HUF)^^	1,200,000	4.68
Usha Rajnikant Shah	7,480,000	9.77
Veenu Rakesh Gupta	1,000,000	3.59
Other Selling Shareholders**		
Dipak Mangalshi Amarshi	2,600,000	18.97
Heta Tushar Parikh^^	1,000,000	1.11
Namita Tushar Parikh^^	1,000,000	1.01

\# *As certified JMT and Associates, Chartered Accountants, by way of their certificate dated April 13, 2022.*
* *Also a Selling Shareholder.*
** *For further details of the Selling Shareholders, including their respective joint holders (as applicable) in respect of the Offered Shares, please see "Annexure A".*
^ *Reflected on a first holder basis.*
^^ *Does not have joint shareholding.*

For further details of the acquisition of Equity Shares of our Promoters, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" at page 96.

Details of Pre-IPO placement

Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement aggregating up to ₹500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

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

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.

Split / Consolidation of Equity Shares in the last one year

Pursuant to a Shareholders' resolution dated December 8, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed share capital of our Company comprising 29,00,000 equity shares of face value of ₹10 each was sub-divided into 1,45,00,000 equity shares of face value of ₹2 each. For further details, see "*Capital Structure*" on page 75.

Exemption from complying with any provisions of securities laws

Our Company has not obtained any exemptions from complying with any provisions of securities laws from SEBI.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors together with all other information set forth in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face or are relevant to us, our Equity Shares, the industry in which we operate or to India or the other geographies in which we sell our products. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, prospects, results of operations, cashflows and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview", and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages 192, 148 and 335, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Draft Red Herring Prospectus.

If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations, cashflows and financial condition could suffer, the trading price of, and the trading price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Offer, you must rely on your own examination of our Company, our business, and the terms of this Offer, including the merits and risks involved and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, such as those relating to levels of indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. 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 certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 17.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information. For further details, please see "Financial Statements" on page 244.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of the specialty chemicals industry in India" (the "**CRISIL Report**") exclusively prepared and issued by CRISIL in April 2022 and commissioned by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "– Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report which has been exclusively commissioned and paid for by our Company." on page 48. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

Internal Risk Factors

1. ***The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.***

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. There have been multiple waves of infections that have impacted certain countries, with India most recently experiencing a third wave of infections that significantly increased the number of persons impacted by COVID-19. Since March 2021, there was a significant resurgence in the daily number of new COVID-19 cases and resulting deaths and the GoI and State governments in India re-imposed lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections. These have all contributed to negative economic impact on the Indian economy and consequently our business and operations. It is possible that the COVID-19 pandemic will continue to cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities had reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020. The nationwide lockdown lasted until May 31, 2020, and has since been extended periodically in varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions had been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Similarly, we resumed our business activities on a gradual basis in line with the prevailing guidelines issued by the governmental authorities at that time.

From March 2021 onwards, due to a "second wave" of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. We have monitored and are monitoring the situation closely and are operating our activities with the required workforce as permitted by governmental authorities. Additionally, towards the end of calendar year 2021, World Health Organisation designated Omicron, a variant that causes COVID – 19, of a great concern. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, and the COVID-19 pandemic may continue to affect our business, results of operations and financial condition, in the future, in a number of ways such as:

- complete or partial closure of, or disruptions or restrictions on our ability to conduct, our manufacturing operations. For example, on account of the lockdown, our operations were temporarily shut down at our Khopoli Facility in Maharashtra from March 23, 2020 to March 31, 2020;
- 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 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;
- 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; and
- disruptions in supply chain leading to higher prices in raw material, impacting our profitability.

Further, our insurance policies may not provide adequate coverage in circumstances, such as the COVID-19 pandemic. For further details, please see "- *Our Business – Insurance*" on page 203. For further details, please see "*Financial Statements*" on page 244. Any intensification or escalation of the COVID-19 pandemic of the Omicron variant or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition and results of operations. In addition, we generate a major part of our revenue through our operations in India. The effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

2. Our business and the demand for our products is reliant on the success of our customers' products with end consumersand any decline in the demand for the end products could have an adverse impact on our business, results of operations, cash flows and financial condition.

Our revenue is attributable to pharmaceuticals, home and personal care, agrochemicals and performance chemicals industries, for end products that include shampoos, disinfectants, antidepressants, sunscreen, inks, antioxidants, specialty coatings, etc.

Set out below is an end-user industry wise break-up of the revenue contribution, for the applicable financial periods:

(in ₹ million except for the percentages)

Products	**For the nine month period ended December 31, 2021**		**For Fiscal 2021**		**For Fiscal 2020**		**For Fiscal 2019**	
	Amount (*in ₹ million*)	**% of total income**	**Amount (*in ₹ million*)**	**% of total income**	**Amount (*in ₹ million*)**	**% of total income**	**Amount (*in ₹ million*)**	**% of total income**
Acetone based specialty chemicals^	3,046.90	48.20%	2,634.40	43.75%	2,364.48	44.22%	2,370.92	47.53%
Phosphorous based specialty chemicals^	1,801.82	28.50%	1,754.49	29.14%	1,417.80	26.52%	1,253.86	25.13%

Products	For the nine month period ended December 31, 2021		For Fiscal 2021		For Fiscal 2020		For Fiscal 2019	
	Amount (*in ₹ million*)	**% of total income**	**Amount (*in ₹ million*)**	**% of total income**	**Amount (*in ₹ million*)**	**% of total income**	**Amount (*in ₹ million*)**	**% of total income**
Other specialty chemicals*^	1,420.59	22.47%	1,566.51	26.02%	1,530.13	28.62%	1,358.21	27.23%
Total	**6,269.32**	**99.17%**	**5,955.40**	**98.90%**	**5,312.40**	**99.35%**	**4,983.00**	**99.88%**

* *Includes chemicals other than acetone and phosphorous based specialty chemicals for the purposes of customization of products.*
^Excludes other income.

The demand for our products and margin of our products is dependent on and directly affected by factors affecting these industries. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of products on account of breakthrough in the development or invention of alternate formulations, may expose us to the risk of our products becoming obsolete or being substituted by such alternatives. Any failure on our part to effectively address such situations or to successfully introduce alternate products or the shifting of the practice in these industries towards developing substitutes of our products could adversely affect our business, results of operations, financial condition and cash flows. In addition, a slowdown in demand for our existing products ahead of a new product introduction could result in a write down in the value of inventory on hand related to existing products. Before we can introduce a new product, we must successfully execute a number of steps that involve a significant lead time, including successful research and development, obtaining the requisite regulatory approvals and registrations, customizing our production capacities, scaling our vendor, production and infrastructure networks, getting relevant customer approval post undertaking their audit processes and effective marketing strategies. Our failure to effectively adapt to the situations or to successfully introduce new products or new applications, under unpredicted circumstances could adversely affect our business, results of operations and financial condition as we have in the past experienced a slowdown in the demand for our products and delays in new product development. For instance, during COVID – 19 pandemic, we faced a decline in our gross profit margin and PAT margin due to an increase in the total expenses. The increase in the total expenses was due to an increase in the cost of raw materials and increase in manufacturing expenses. For details, refer to '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' on page 335. Such slowdowns and delays may occur in the future. Resultantly, if our customers, defer or cancel orders for our existing products, due to introduction of substitute products, which are more suitable and preferred options, our operating results would be adversely affected.

The success of our business depends upon the ability of our customers to anticipate and identify changes in consumer preferences, evolving consumer requirements, and our ability to offer customised products that our customers require. We constantly seek to develop our research and development capabilities to distinguish ourselves from our competitors by enabling us to introduce new products and different variant of our existing products, based on consumer preferences and demand. Although we seek to identify such trends and introduce new products, we cannot assure you that our products would gain consumer acceptance. 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.

Further, we cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products. The development and commercialization process of a new product would require us to spend considerable time and money. Our ongoing investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business.

3. ***Our business is dependent on our manufacturing facilities and we are subject to certain related risks. Unplanned slowdowns, unscheduled shutdowns or prolonged disruptions in our manufacturing operations or under – utilization of our manufacturing capacities could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our business is dependent on our ability to manage our two manufacturing facilities situated at Khopoli and Mahad regions of Maharashtra, including productivity of our workforce, compliance with regulatory requirements or changes in the policies of the state or local governments of this region or the Government of India and those instances which are beyond our control, , such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural calamities or civil disasters and pandemics, including the COVID–19 pandemic which caused certain disruptions in our operations last year and may cause disruptions in the future, which may result in us incurring significant capital expenditure and changing our business strategy. In particular, due to the COVID-19 pandemic, Khopoli Facility in Maharashtra faced a temporary shutdown from March 23, 2020 to March 31, 2020 owing to the lockdown imposed in the state of Maharashtra post which we were permitted to resume our operations and were classified as a provider of 'essential services'. Further, our operations at Mahad Facility which commenced in Fiscal 2021 were impacted due to COVID – 19 pandemic, on account of 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.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lock-outs, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at our manufacturing facilities may entail significant repair and maintenance costs and cause delays in our operations. In the event that we are forced to shut down our manufacturing facility for a significant period of time, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole. For instance, the Maharashtra Pollution Control Board ("**MPCB**") on February 27, 2018 directed our Company to close down manufacturing activities at Khopoli Facility on account of violations of provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 pursuant to collection of samples from a sewage pipe in the Khopoli Facility premises which reflected certain chemicals that exceeded permissible limits. Eventually, the MPCB, having considered our submissions and undertakings, and after verifying the compliance, passed an order on April 23, 2018 permitting our Company to restart its manufacturing activities at the Khopoli Facility. Further, the MPCB on August 9, 2021 directed our Company to cease manufacturing activities at our Mahad Facility on account of violations of provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 owing to receipt of certain complaints regarding contamination of the water of the borewell at Aamshet village. Subsequently, the MPCB passed an order on September 3, 2021 to allow our Company to restart manufacturing activities at Mahad Facility, subject to compliance of certain terms and conditions including submission of a bank guarantee. Further, the Regional Officer, Raigad had issued a show cause notice dated January 8, 2021 ("**SCN**") to our Company with respect to (i) our Company not having connected the camera flow meter to MPCB and Central Pollution Control Board server; and (ii) our Company has not stored MEE salt 40 MT and ETP sludge 12 MT as per the provisions of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016. Our Company has responded to the SCN stating that (i) it is in the process of establishing internet connection at the site; and (ii) the sludge and salt generated from the MEE plant is being disposed of scientifically to the Mumbai Waste Management Limited. Our inability to effectively respond to any shutdown or to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers' requirements and would result in us breaching our contractual obligations.

We may also experience loss of, or a decrease in, revenue due to lower manufacturing levels. Our installed capacity at Khopoli Facility in Maharashtra for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, was 50,410MT, 49,334 MT, 44,399 MT and 42,660 MT, respectively whereas for the Mahad Facility it was 4,240 MT and 2,000 for the nine month period ended December 31, 2021 and for Fiscal 2021, respectively. Of the installed capacity at our Khopoli Facility in Maharashtra, 79.90%, 77.40%, 83.00% and 89.60% capacity was utilised for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively and for the Mahad Facility in Maharashtra, 30.40% and 29.70%capacity was utilised for the nine month period ended December 31, 2021 and for Fiscal 2021, respectively. For details, see "*Our Business – Manufacturing Facilities*" on page 200. In addition, we may be required to shut down our manufacturing facilities for various reasons such as maintenance, inspection, testing and capacity expansion. Further, the capacity utilization at our manufacturing facilities is subject to various factors such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal manufacturing planning.

Both our Khopoli Facility and Mahad Facility and our R&D centre are located in Maharashtra. In the event there are any disruptions at our manufacturing facilities, 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. An inability to utilize our manufacturing facility to its full or optimal capacity, non-utilization of such capacities could have an adverse effect on our results of operations, cash flows and financial condition.

4. ***We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards.***

We are among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India *(Source: CRISIL Report)*. Our products have end uses in four segments namely pharmaceuticals, agrochemicals, home and personal care and performance chemicals. Given the nature of our products, adherence to quality standards is a critical factor in our manufacturing process. Our customers maintain strict quality standards that includes strict qualification and certification procedures. Our products go through various quality checks at various stages at our manufacturing facilities. Further, we also rely on certain third-party manufacturers for certain manufacturing processes, and while we have quality control systems in place, there can be no assurance that such quality controls may not be subject to failure. Failure of our products to meet the quality standards expected by our customers may result in rejection and reworking of our products.

Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows. The Company operates in an industry which is heavily regulated, viz. its own operations as well as the jurisdictions in which the customers of the Company operate. In addition to complying with the Indian regulations in relation to our manufacturing facilities and R&D centre at Khopoli and Mahad in the regions of Maharashtra, we are also required to comply with various regulations and quality standards. Since we supply our products to customers having global markets, our manufacturing facilities and products may be subjected to audit and inspection by Indian and overseas regulatory agencies. While historically, we have not received any notices pursuant to any inspection or audit undertaken by the Indian or the overseas regulatory agencies, going forward if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter or sanctions or any other action from regulatory authorities, which could result in the withholding of product approval and the shut-down of our facilities.

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 face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems, including at the stage of manufacturing of final dosage form. Such adverse publicity harms the brand image of our products. Further, our customers to whom we supply our intermediates must comply with the regulations and standards of the regulatory authorities, as may be applicable. Failure to comply with these regulatory requirements, or the receipt by these customers of warning or deficiency letters from regulators could adversely affect the demand for our products. We may also be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. In certain foreign jurisdictions, the quantum of damages, especially punitive, awarded in cases of product liability can be high. The existence, or threat of a major product liability claim could damage our reputation and affect customers' views of our products. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are costly. Any loss of our reputation or brand image may lead to a loss of existing business contracts and affect our ability to enter into additional business contracts in the future, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

5. ***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.***

The primary raw materials used for our manufacturing process are acetone based derivatives and yellow phosphorous based derivatives. While certain acetone based derivatives and phosphorus based derivatives are manufactured by us and further used as captive raw materials for derivatives, our other 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 generally on a 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.

6. We are susceptible to risks arising out of export of our products to 45 countries and with doing business internationally, including international market conditions and regulatory risks.

As on December 31, 2021, we export our products to 45 countries globally. We have appointed sales channel personnel in Shanghai and London, so as to enable us to market our products as well as understand the customer needs in these regions. For the nine month period ended December 31, 2021 and for Fiscals ended 2021, 2020 and 2019 our revenue from exports amounted to ₹ 1,342.79 million, ₹ 1,387.20 million, ₹ 1,406.47 million and ₹ 1,245.00 million and accounted for 21.24%, 23.04%, 26.30% and 24.96%, respectively, of our total income. There are a number of risks in doing business abroad such as risks with respect to interest rate and foreign currency fluctuations, different tax and regulatory environments (particularly with respect to the nature of our products), changes in social, political and economic conditions, the need to recruit personnel combining product skills and local market knowledge, obtaining the necessary clearances and approvals to set up business and competing with established players in these regions and cost structures in international markets, including those in which we operate, that are significantly different from those that we have experienced in India. For instance, we export to countries such as Russia and Ukraine, amounting to ₹ 29.39 million and ₹ 5.38 million, respectively, and which accounted for 0.49% and 0.09% of our total income for Fiscal 2021, respectively. However, our exports to these countries may not likely get impacted in spite of the ongoing conflict between these countries due to the revenue contributed by these countries as compared to our total revenue being insignificant.

For instance, we require various approvals, licenses, registrations and permissions for supplying our products to our overseas customers such as the REACH registration with ECHA and other similar registrations with regulatory bodies of various countries. Authorities in different jurisdictions may impose their own requirements or delay or refuse to grant approval, even when our product has already been approved in another country. While, in the past we have not faced any non – compliance of any regulatory requirements, in case we fail to comply with applicable statutory or regulatory requirements in the future, there could be a delay in the submission or grant of approval for marketing new products. Additionally, the approval process for a new product is complex, lengthy and expensive in the international markets into which we sell our products. The time taken to obtain approval varies from country to country, and is significantly dependent on that particular country, the customers and the nature of the products for which approval is sought. Further, there may be certain developments in the industries in which our customers operate which in turn may have an impact on our sales from exports. There may be imposition of certain tariffs, quotas and other tariff and non-tariff trade barriers on our products in jurisdictions in which we operate or seek to sell our products and we may face trade restrictions in the jurisdictions we operate including the European countries, among others.

These risks may impact our ability to expand our exports in different regions and otherwise achieve our objectives relating to our export operations. Expansion into a market outside of our current operation could require significant capital expenditures and have a material effect on our capital structure. If we pursue an international expansion opportunity, we could face internal or external risks, including, without limitation compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and limits on the repatriation of funds. We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have business operations. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully develop or manage our international operations, it may limit our ability to grow our international business.

7. ***Our inability to accurately forecast demand for our products and manage our inventory or working capital balances may have an adverse effect on our business, results of operations, cash flows and financial condition.***

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 generally on a non-exclusive basis. We conduct business with our customers primarily on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and inventories at short notice, which may result in us bearing additional costs and incurring losses. While we maintain a reasonable level of inventory of raw materials, work in progress and finished goods, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. Similarly, an error in our forecast could also result in surplus stock, which may not be sold in a timely manner or at all. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, or if our estimation of customer requirements and trends are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations.

Our working capital requirements may increase if payment terms shift to payments on completion of delivery or otherwise increase our working capital burdens. Our current term of payment is between 30 – 90 days. In few instances our Company is required to be paid at the time of placing the order, the amount of which varies from customer to customer. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations.

8. ***Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial conditions.***

Our operations depend on the timely transport of raw materials to our manufacturing facilities and of our products to our customers. We use a combination of land and water transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. We may experience disruption in the transportation of raw materials by ship and delivery of the products to our customers due to bad weather conditions. For instance, our Company experienced disruption for a certain period, in manufacturing and supply of the specialty products to the customers on account of floods in the Mahad region in the year 2021. Further, unexpected delays due to delays in obtaining customs clearance for raw materials imported by us or products exported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Any failure to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions. Our outward freight and handling charges increased from ₹126.88 million in Fiscal 2019 to ₹162.67 million in Fiscal 2020, ₹154.54 million in Fiscal 2021 and ₹ 204.67 million during the nine month period ended December 31, 2021 which constituted 3.24%, 2.57%, 3.04% and 2.54% of our total income for the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. Further, the freight costs for our exports escalated substantially on account of shortage of the containers due to which our Company had to pay higher freight rates to shipping lines, increase in the freight costs by shipping lines, many ports were either closed or not operating at full capacity due to which container movements were impacted and we had to agree to pay higher rates to ensure the shipment on time. Our export freight cost increased to ₹ 12.58 per kg in the quarter ended December 31, 2021, as compared to ₹6.40 per kg in Fiscal 2021, ₹6.31 per kg in Fiscal 2020 and ₹5.20 per kg in Fiscal 2019.

9. ***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. For the nine month period ended December 31, 2021 and in Fiscals 2021, 2020 and 2019, our cost of raw materials consumed constituted 57.20%, 61.82%, 50.43% and 59.95%, respectively, of our total expenses which amounted to ₹ 3,231.46 million, ₹ 3,513.50 million, ₹ 2,475.5 million and ₹ 2,761.46 million, respectively. 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, pandemic, 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 typically do not 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. Cost of raw materials sourced from our top five suppliers accounted for 62.29%, 56.81%, 73.45% and 52.13% of the total cost of raw materials consumed during the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019 which was to ₹ 1,915.60 million, ₹ 1,914.62 million, ₹ 1,708.58 million and ₹ 1,366.77 million, respectively. 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 201. 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 facilities, we cannot assure you that our facilities 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.

10. ***Some of the raw materials that we use as well as our finished products are hazardous, corrosive and flammable and require expert handling and storage, as applicable. Any accidents may result in loss of life or property and disrupt our operations which may have an adverse effect on our results of operation, cash flows and financial condition.***

Certain of the raw materials that we use as well as our finished goods are corrosive and flammable and require expert handling and storage, as applicable. Any failure of our control systems, mishandling of hazardous chemicals, leakages, explosion or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process, transportation, handling or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life and property, damage to our and third-party property and / or environmental damage, require shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability. For instance, an accident took place on September 21, 2020 at our Khopoli Facility involving two contract workers who were assigned the job to dismantle the reboiler of our acetone recovery plant. During the dismantling of the reboiler assembly, the residual chemical from the reboiler splashed on the bodies of these two workers resulting in their unfortunate demise. In another instance, on February 17, 2021, a fire started in our Khopoli Facility's diacetone alcohol recovery plant during the process of dismantling a part of the plant. The Deputy Director of Industrial Safety and Health, Mumbai, post an enquiry, levied a fine of ₹ 25,000 on our Company and instructed us to undertake certain remedial measures to prevent such incidents in the future. The occurrence of any such event in the future may adversely affect our reputation, and may also result in a loss of life or property which in turn could lead to disruption of our operations, resulting in an adverse effect on our results of operations, cash flows and financial condition.

11. ***Improper storage, processing or handling of raw material and finished goods may result in damage to such raw material or finished goods, which may adversely affect our business prospects, results of operations and financial condition***

We manufacture a wide range of products which are used in various industries such as agrochemicals, pharmaceuticals and home and personal care. These products have various attendant requirements in relation to storage such as storage in sealed containers in dry conditions, maintaining distance from direct heat, sunlight, dust and moisture, and protection from frost, depending on the nature of the product. Further, certain of our other raw material such as Styrene are required to be stored and handled carefully and under certain safety conditions such as maintaining distance from aerosols, flammables, oxidizing agents, corrosives and from other flammable products, and prevention of release of vapours into the atmosphere. In the event that the raw materials and finished products are not appropriately stored, handled and transported, the quality of products may be affected. Further, we rely on certain third parties for the transportation of raw materials procured by us and for the delivery of our products to our customers. Our inability to monitor the handling of the raw materials or our products during transport may result in deterioration of the quality of the same. We have, in the past, faced instances where certain of our supplied products have been returned by our customers due to deterioration in quality of goods on account of improper storage and handling. The improper storage or mishandling of our products during transit may compromise the quality of the products being delivered to our customers and can potentially expose us to liabilities and claims which could adversely affect our brand image and reputation and have a material and adverse effect on our business prospects, results of operations and financial condition.

12. ***Our profitability largely depends upon the global prices of our products and on the pricing pressure resulting from competition with other players in the market. 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 among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India *(Source: CRISIL Report)*. In the last three Fiscals we have increased our global footprint to sell our products globally and as of December 31, 2021, we export to 45 countries. Our sale of products in foreign markets is subject to the global prices of the products. Since we currently manufacture all our products at our manufacturing facilities at Khopoli and Mahad regions in Maharashtra, we may be unable to provide the products at competitive prices as against suppliers which are able to implement more cost – effective distribution models and other local suppliers in such foreign markets. 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. There is no assurance that the prices of our products 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 competitors in the domestic market comprise of foreign suppliers and local players. Accordingly, even our sales in India are subject to global pricing pressures. Our foreign competitors may be able to supply similar products at lower prices 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. Our competitors may succeed in developing products that are more effective, more popular or cheaper than the ones we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. Some of our competitors may have greater financial resources, better distribution network, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can. Further, our customers operate within the highly competitive industries, where they are constantly required to adapt to factors such as changing consumer preferences, consolidation and the entry of new regional and local players who constantly exert downward pricing pressure. We may be adversely affected in case our customers are unable to effectively respond to any such factors. For details, refer to '*Our Business – Competition*' on page 203.

13. ***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 may 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. We enter into confidentiality agreements and non-disclosure agreements with our customers for whom we undertake manufacturing. As per these agreements, we are required to keep confidential, the know-how and technical specifications provided to us by these customers. 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.

14. ***Non-compliance with increasingly stringent safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, cash flows and financial condition. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

Our operations generate pollutants and waste, some of which may be hazardous and therefore, we are subject to various laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, disposal of bio-medical waste, storage, transport, handling, disposal, employee exposure to hazardous substances and other aspects of our manufacturing operations. 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. The occurrence of any such event in the future could have an adverse effect on our business, results of operations, cash flows and financial condition. For instance, the MPCB on February 27, 2018 directed our Company to close down manufacturing activities at Khopoli Facility and Mahad Facility on account of violations of provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981. For details, refer '*Risk Factors – Our business is dependent on our manufacturing facilities and we are subject to certain related risks. Unplanned slowdowns, unscheduled shutdowns or prolonged disruptions in our manufacturing operations or under – utilization of our manufacturing capacities could have an adverse effect on our business, results of operations, cash flows and financial condition*'.

In addition, environmental laws and regulations in India have increasingly become more stringent. The increased concerns regarding the safe use of chemicals and plastics in commerce and their potential impact on the environment has resulted in more restrictive and stringent regulations. The scope and extent of the new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. 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, cash flows and prospects.

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. 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 have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour 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, cash flows and financial condition may be adversely affected. For instance a show cause notice dated February 22, 2021 was issued to our Company by the Deputy

Director of Industrial Safety and Health, Raigad for violating certain provisions of the Maharashtra Factories Act, 1963 on account of lack of canteen facilities at our manufacturing facilities, which also resulted in a fine of ₹25,000 being levied on our Company. Any future instance of failure, on part of our Company, to adhere to such requirements could have an adverse impact on our operations, business and financial condition.

15. ***Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process from our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. For example, the total working capital (excluding short term borrowings) as on December 31, 2021, was ₹ 833.15 million and for Fiscals 2021, 2020 and 2019 was ₹ 449.70 million, ₹ 260.07 million and ₹ 569.20 million, respectively. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, 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, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or raise additional equity in a timely manner, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

16. ***Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital, among other factors, depend on our credit rating. Our present credit rating is ACUITE A+/Stable to our fund-based working capital limits, ACUITE A1+ to our non-fund based working capital limits and ACUITE A+/Stable to our term loan assigned by ACUITE Ratings & Research. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

17. ***There are outstanding litigations involving our Company, Promoters and Directors, and any adverse outcome in any of these proceedings may adversely affect our results of operations and financial condition.***

Our Company, Promoters and our Directors are involved in certain outstanding legal proceedings, which are pending at different levels of adjudication at different fora. Brief details of such outstanding litigation are as follows:

Type of Proceedings	Number of cases	Amount* (₹ in million)
Cases against our Company		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes (other than claims by statutory or regulatory authorities)	5	16.33
Other pending material litigation proceedings#	Nil	Nil
Total	**5**	**16.33**
Cases by our Company		
Criminal proceedings	2	2.12

Type of Proceedings	Number of cases	Amount* (₹ in million)
Other pending material proceedings#	4	22.76
Total	**11**	**24.88**
Cases against our Promoters		
Criminal proceedings	2	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years.	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**2**	**Nil**
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**Nil**	**Nil**
Cases against the Directors, other than Promoters		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**Nil**	**Nil**
Cases by the Directors, other than Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation#	Nil	Nil
Total	**Nil**	**Nil**
Cases against the Group Company		
Pending litigation which has a material impact on our Company	Nil	Nil
Total	**Nil**	**Nil**
Cases by the Group Company		
Pending litigation which has a material impact on our Company	Nil	Nil
Total	**Nil**	**Nil**

** To the extent quantifiable.*
 # In accordance with the Materiality Policy.

For further details, see '*Outstanding Litigation and Material Developments*' on page 352.

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoters, and our Directors, as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Summary Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition.

18. Our cost reduction initiatives do not always deliver the benefits that they expect, and actions taken may adversely affect their business, financial condition and results of operations.

Our Company focusses on the optimisation and reduction of costs while continuing to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process. During COVID – 19 pandemic, our Company undertook de-bottlenecking of our facilities to improve operational metrics and enhance the production capacity without increasing substantial capital expenditure. This entailed reduction in the cost of energy, energy saving, reduction in the usage of manpower and increase in the automation of equipment thereby reducing the element of human errors.

Going forward, we continue to evaluate and undertake such initiatives which would improve our financial performance through functional efficiencies. However, we cannot guarantee that the processes followed or initiatives undertaken by us will be beneficial for the Company and such actions may or may not adversely affect our business, financial condition and results of operations.

19. Our inability to manage the expansion of our products range and manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing

preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

Our inability to manage the expansion of our products range and manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion of our product range and manufacturing capacities to pursue existing and potential market opportunities. For details, see "*Our Business – Our Strategies*" on page 197. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce and innovate new products and maintain the quality of our products, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

20. We require a number of approvals, licences, registrations and permits to operate our business and the failure to obtain or renew these licences in a timely manner, or at all, may have an adverse effect on our business, results of operations and financial condition.

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facilities. A majority of these approvals are granted for a limited duration. While we are required to obtain a number of approvals for legally conducting our business operations and we shall submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. For details, see "*Government and Other Approvals*" on page 355.

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 noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, 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 case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may be subject to penalties and proceedings may be initiated against us.

The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

21. The success of our business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect our business and prospects.

Our Khopoli Facility in Maharashtra is certified by ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas for the manufacture and dispatch of (a) phosphorous based chemicals and its derivatives; and (b) acetone based chemicals and its derivatives. For further details, please see "*Our Business – Manufacturing Facilities*" on page 200. Receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products. To ensure continued accreditation with such agencies, we must ensure consistency and maintain the quality of our products and our manufacturing processes. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality accreditations in the future, in a timely manner, or at all, our reputation, business and prospects may be adversely affected.

22. We are susceptible to product liability claims, 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. Presently, our insurance policies, do not cover the product liability claims. 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. While we have not experienced any product liability claims in the past, 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.

23. ***Our operations are dependent on continuous R&D to develop and commercialise new products and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.***

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. Our success depends significantly on our ability to commercialize our new products. In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. 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 customers and our business development team. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities, and we have set-up dedicated R&D laboratory at Navi Mumbai in Maharashtra. During the nine month period ended December 31, 2021 and for the Fiscals 2021, 2020 and 2019, we incurred R&D related expenditure of ₹ 17.60 million, ₹ 45.80 million, ₹ 30.01 million and ₹ 21.10 million, respectively which accounted for 0.28%, 0.76%, 0.56%, and 0.42% of our total income, respectively. There is often a lengthy period between commencing these development initiatives and bringing new or improved products in the market. Delay in any part of the process, our inability to obtain necessary regulatory approvals for our products or the failure of a product to be successful at any stage and therefore not reaching the market could adversely affect our business, our results of operations and our cash flows. We may or may not be able to take our R&D innovations through the different testing stages without repeating our R&D efforts or incurring additional amounts towards such research. There can be no assurance that our expenditure on R&D activities will yield proportionate results of substantial commercial value or commercially viable products may be developed or launched as a result of such R&D activities. For further details, refer to '*Our Business – Our Strengths – Strong research and development capability enabling diversified product portfolio and diversified and customised customer solutions*'.

Additionally, our competitors may commercialize similar products before us. The occurrence of any such event could affect the success of our R&D activities, which in turn could have an adverse effect on our business, growth, results of operations, cash flows and financial condition. Further, there is no guarantee that our new products or enhancements to existing products will achieve market acceptance. In addition, any changes due to technological advances and scientific discoveries may increase our R&D expenses, as these changes result in frequent introduction of new products and significant price competition. There is a significant possibility, that some of our product development decisions, including, significant research and development costs, or investments in technologies, will not meet our expectations and our investment in some projects will be unprofitable. Also, our ongoing investment in new products launches and R&D for future products could result in higher costs without proportionate increase in our revenues. While there is no direct exposure on our Company for slowdown in the demand for its products due to new product development, our Company is indirectly affected if a final end product is discontinued. Our industry is continuously changing due to technological advances and scientific discoveries. In case our current technologies become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected.

Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete and we may not have the resources to adequately invest in R&D. The cost of implementing new technologies and upgrading our manufacturing facilities as well as R&D could be significant and could adversely affect our business. Changes in market demand may also cause us to discontinue existing or planned development for new products and if we fail to make the right investments or fail to make them at the right time, our business, reputation and financial conditions could be materially and adversely affected.

24. ***We operate our manufacturing facilities and Registered and Corporate Office on parcels of land that are held by us on a leasehold basis.***

We operate our manufacturing facilities as well as the Registered and Corporate Office on parcels of land that are held by us on a leasehold basis. We have also received a license to use land for industrial purpose in Saykha Industrial Area, GIDC, Bharuch, Gujarat on a leave and license basis and to use the land for industrial purpose in TTC Industrial Area, Khairne, Koparkhairne, Navi Mumbai, Maharashtra on a leasehold basis. For details of the period of our leases, please see '*Our Business – Property*' on page 204. We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

25. Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and our future production and capacity may vary.

Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions such as standard capacity calculation practice of specialty chemicals industry after examining the calculations and explanations provided by our Company and other ancillary equipment installed at the facilities. Actual production volumes and capacity utilization rates may differ significantly from the historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

For details of certain information relating to our capacity utilization of all our manufacturing facilities, calculated on the basis of total installed production capacity and actual production as of/ for the periods, please see "*Our Business – Manufacturing Facilities*" on page 200.

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

Our operations are subject to hazards including inherent in chemical manufacturing facilities. Our principal types of coverage include property fire policy, stock fire policy, general commercial liability policy, anti-burglary policy, group accident policy and director and officers insurance policy. We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. As at December 31, 2021 and Fiscals 2021, 2020 and 2019, we carried insurance coverage of ₹ 4,175.78 million, ₹ 3,584.75 million, ₹ 2,764.50 million and ₹ 2,316.95 million, respectively which accounted for 121.08%, 109.69%, 133.30% and 132.73%, of the total assets of our Company as at the end of the aforementioned period/ Fiscals, respectively. For details in relation to product liability claims, see "*Risk Factors – We are susceptible to product liability claims, which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums*" on page 39.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost.

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.

27. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows.

We have incurred significant indebtedness of ₹ 2,792.92 million as of December 31, 2021. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders, *inter alia,* to:

- create or permit to subsist any encumbrance, mortgage or charge over all or any of our secured assets;
- deal with or dispose of or create any third-party rights in any of our secured assets;
- enter into any contractual obligations of a long-term nature which would affect our financial position to a significant extent;
- effect any changes in our capital structure including but not limited to merger, amalgamation, reconstruction or consolidation;
- formulate any scheme of amalgamation with any other borrower or reconstruction or acquire any other borrower; and
- effect any material change in our management/ ownership.

In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Our failure to meet our obligations under the debt financing agreements, including our repayment obligations under the financing arrangements could have an adverse effect on our business, results of operations, cash flows and financial condition. For details in connection with our indebtedness, please see "*Financial Indebtedness*" on page 349 of this Draft Red Herring Prospectus.

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

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the ordinary course of business, 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. We are exposed to credit risk from our operating activities, primarily from trade receivables. Our total trade receivables for the nine month period ended December 31, 2021 and as of March 31, 2021, March 31, 2020 and March 31, 2019, were ₹ 1,470.93 million, ₹ 1,458.58 million, ₹ 1,129.47 million and ₹ 1,057.12 million, respectively, which accounted for 23.27%, 24.22%, 21.12%, and 21.19% of our total income for the respective financial periods. During the nine month period ended December 31, 2021 and as of March 31, 2021, March 31, 2020 and March 31, 2019 we have written off certain trade receivables on account of non-payment of dues amounting to ₹ 0.71 million, ₹ 3.37 million, ₹ 2.11 million and ₹ 2.95 million, respectively, which accounted for 0.01%, 0.06%, 0.04% and 0.06% of our total income for the respective periods. For details of write offs, please see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 335.

Our results of operations and profitability depends 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 manner, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Further, any increase in our receivable turnover days or write-offs will negatively affect our business. Any default or delays in payment of receivables by our customers may have adverse effect on cash flows, results of operations and financial condition.

29. We are entitled to certain tax benefits under the various export promotion schemes of GoI. We cannot assure you that we will continue to be eligible to receive such tax benefits in the future.

We are entitled to exports tax benefits, under the duty drawback scheme and remission of duties and taxes on export products schemes. In order for us to be eligible for such tax benefits, we have to comply with certain attendant conditions prescribed under Income tax Act, 1961, Customs Act, 1962 and the GST Act. We cannot assure you that we will continue to be eligible to receive such tax benefits in the future. Any inability to avail such tax benefits could have an adverse effect on our growth strategy, and financial performance.

30. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

A significant portion of our total income and expenditure is denominated in currencies other than Indian Rupees. Although, we closely follow our exposure to foreign currencies by formulating a risk management policy and entering into forward contracts to hedge our exposure in an attempt to reduce the risks of currency fluctuations, our results of operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. 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. For the nine month period ended December 31, 2021 and for Fiscals 2021, we incurred a profit of ₹ 47.66 million, ₹ 58.59 million, respectively, and for Fiscals 2020 and 2019 we incurred a loss of ₹4.01 million and ₹16.11 million, respectively on account of fluctuations in the foreign exchange rate.

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. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows. 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.

31. Unsecured loan taken by our Company can be recalled by the lender at any time.

As on December 31, 2021, our Company has availed an unsecured loan amounting to ₹ 23.33 million outstanding that is repayable on demand to HDFC Bank Limited. While the loan is repayable in 12 monthly instalments, this loan may be recalled by the lender at any time and in the event of such untimely recall, our Company will be required to repay the entirety of the outstanding amount payable with respect to this loan. Our Company may not be able to generate sufficient funds at short notice to be able to repay this loan and may resort to refinancing of this loan at a higher rate of interest and terms not favourable to it.

Further such untimely recall of this facility may have a material adverse effect on our business, cash flow, and financial condition. For further details of unsecured loan of our company, please refer to "*Financial Information*" on page 244.

32. We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.

Our contingent liabilities as per Ind AS 37 as of December 31, 2021 were as follows:

(₹ in million)

Matter	As of December 31, 2021
Customs Act	5.08
DRI Mumbai and Ahmedabad	8.61
Income tax liability that may arise in respect of matters in appeal	2.64
Guarantees excluding financial guarantees	16.32
Total	**32.65**

For further details of the contingent liabilities and commitments of our Company as on December 31, 2021, see "*Restated Financial Information – Contingent Liabilities*" on page 296. If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

33. Our management team and human resources are critical to our continued success and the loss of such personnel could adversely affect our business.

Our success significantly depends upon the continued service of our management team and human resources who we believe are necessary to successfully lead the development of our business. Our ability to retain and attract qualified individuals is critical to our success. Our overall attrition rate in the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 was 8.00%, 8.00%, 8.00% and 8.00%, respectively of the total strength of the employees at the beginning of the year. Competition for individuals with specialized knowledge and experience is intense in our industry. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to retain or attract such members or are unable to locate suitable or qualified replacements, our results of operations may be adversely affected. We may require a long period of time to hire and train replacement personnel when qualified personnel resign from their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations and our cash flows. For details of changes in our key management personnel, see "*Our Management*" on page 215.

34. Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of December 31, 2021, we had 607 permanent employees. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. Some of the labours or the employees are members of a labour union. While there have been no strikes by such union in the past, we cannot assure that there will be no strikes or participation of our labour or employees in such strikes.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

35. ***As on the date of this Draft Red Herring Prospectus, we do not own any intellectual property and may inadvertently infringe the intellectual property rights of others.***

We currently do not have any registered trademarks and have applied for registration of three trademarks namely "PRASOL", "PRACARE" and "PRALUBE" under class 1 with the Trademark Registry. The applications are currently under review and pending grant. In the absence of obtaining registration of these trademarks, we may not be able to initiate an infringement action against any third party infringing on our trademarks. Further, we cannot guarantee that our application for registration of the trademarks will be granted by the relevant authority or that there will not be instances where such applications are contested and/or objections are raised by third parties. In the event that we are unable to successfully defend such challenges or objections, we may be unsuccessful in obtaining the registration of our trademarks. Additionally, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business.

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. For details, see '*Risk Factors – Our failure to keep our technical knowledge confidential could erode our competitive advantage*.' 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

We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

36. ***Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit and prior to or during godown stocking. While we have not experienced any instance of theft, fraud, employee negligence and resultant loss in the past, the business may encounter some inventory loss on account of employee theft, vendor fraud and general administrative error, in the future. While we have obtained the anti – burglary insurance policy, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, theft of confidential information such as manufacturing processes, customers and product formulations, could adversely affect our results of operations and financial condition.

37. ***Significant disruptions of information technology systems or breaches of data security could adversely affect our business.***

We depend upon information technology systems and third party software, including internet-based systems, for our business operations, and these systems facilitate the flow of real-time information across departments and allows us to make information driven decisions and manage performance. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Any such disruption may result in the loss of key information and disrupt our 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. Such data 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. Although we have not experienced any significant disruptions to, or security breaches of, our information technology systems, we cannot assure you that we will not encounter such disruptions in the future and any such disruptions or security breaches could have an adverse effect on our business and reputation.

38. ***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 206 and 355, 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.

39. Our Company was incorporated in 1992 and some of our corporate records relating to changes in the share capital of our Company, allotments made by our Company, buy-back of equity shares and transfers, acquisitions of Equity Shares made by our Promoters, and appointment /re-appointment of Directors, are not traceable.

Our Company has not been able to trace certain corporate records such as certain forms (including forms required to be filed under the Companies Act, 1956), filings, and minutes of meetings of our Board and Shareholders, in relation to the changes in the share capital of our Company, the allotments made by our Company, buy-back of equity shares, resolutions for appointment of certain Directors for their period of directorship. Further, certain records relating to the transfers and acquisitions of Equity Shares made by our Promoters are not traceable. For further information, see "*Capital Structure – Notes to the Capital Structure*" on page 76, in this Draft Red Herring Prospectus. As per certificate dated April 13, 2022, from Devendra V Deshpande, Practicing Company Secretary, who has conducted a search for these such records with the RoC as well as our Registered and Corporate Office, such records and not traceable.

Information in relation to such changes in share capital, allotments, buy-back and certain acquisitions and transfers made by our Promoters has been disclosed in the sections "*History and Certain Corporate Matters*" and "*Capital Structure*" on pages 211 and 75, in this Draft Red Herring Prospectus, based on the statutory registers, minutes of the meetings of our Board and Shareholders (to the extent available), annual reports of our Company, bank and demat statements, depository instruction slips, share certificates, share transfer forms, and other information available with our Company. Further, we may not be able to furnish any further document evidencing the aforesaid details. For details of periods for which such documents are not available, please see "*History and Certain Corporate Matters*" and "*Capital Structure*" on pages 211 and 75, respectively.

We cannot assure you that the abovementioned corporate records will be available in the future. Further, we cannot assure you that our Company has filed such forms and filings in a timely manner or at all, in the past. Although no regulatory action/ litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

40. We have in the past entered into related party transactions and will continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. Set forth below are the details of related party transactions entered into by our Company for the applicable periods:

(In ₹ million)

Sr. No.	Entity Name	Type of Transactions	Nine-month period ended December 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
1	Nishith R Shah	Interest Paid	0.26	1.31	1.12	0.28
		Directors Remuneration	23.56	18.58	12.75	12.98
		Loan Taken	1.68	16.53	19.30	6.13
		Loan Repaid	13.21	22.00	6.55	11.18
		Loan payable	-	11.53	17.00	4.25
		Remuneration Payable	1.00	2.04	0.00	-
2	Bhisham K Gupta	Interest Paid	0.46	0.90	0.87	0.14
		Professional Charges	-	-	1.12	3.26
		Loan Taken	-	-	5.00	5.00
		Loan Repaid	10.00	-	-	7.50
		Loan payable	-	10.00	10.00	5.00
		Remuneration Payable	-	-	-	-
3	Jatin N. Parikh	Interest Paid	0.36	0.12	0.84	0.22
		Professional Charges	-	-	0.01	0.01
		Loan Taken	10.00	5.00	18.00	3.90

Sr. No.	Entity Name	Type of Transactions	Nine-month period ended December 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
		Loan Repaid	10.00	5.00	18.00	3.90
		Remuneration Payable	-	-	-	2.75
4	Gaurang N Parikh	Interest Paid	-	0.06	0.25	0.35
		Directors Remuneration	16.66	14.44	11.66	10.51
		Loan Taken	-	1.50	-	5.00
		Loan Repaid	-	1.50	5.00	-
		Loan payable	-	-	-	5.00
		Remuneration Payable	0.72	1.72	1.06	2.23
5	Dhaval N Parikh	Directors Remuneration	12.60	12.02	7.80	5.69
		Remuneration Payable	0.64	1.33	1.25	1.21
6	Pankil N Dharia	Interest Paid	0.01	0.08	-	-
		Directors Remuneration	10.01	11.25	5.90	6.03
		Loan Taken	-	1.22	-	-
		Loan Repaid	1.22	-	-	-
		Remuneration Payable	0.40	1.32	1.22	2.26
		Loan payable	-	1.22	-	-
7	Suketu N Parikh	Interest Paid	0.10	0.14	0.04	-
		Loan Taken	-	1.00	1.50	-
		Loan Repaid	2.00	-	0.50	-
		Loan payable	-	2.00	1.00	-
8	Anvi N Shah	Interest Paid	0.68	0.41	-	-
		Directors Remuneration	5.86	7.75	-	-
		Professional Charges	-	6.41	-	-
		Loan Taken	16.50	9.58	-	-
		Loan Repaid	25.88	0.20	-	-
		Loan payable	-	9.38	-	-
		Remuneration Payable	0.00	0.98	-	-
9	Nishith R Shah HUF	Interest Paid	0.34	0.28	-	-
		Loan Taken	9.12	6.59	0.90	-
		Loan Repaid	15.70	-	0.90	-
		Loan payable	-	6.59	-	-
10	Rajnikant C Shah HUF	Interest Paid	0.52	1.15	1.12	0.42
		Loan Taken	12.22	5.85	1.43	17.20
		Loan Repaid	23.49	7.50	-	5.70
		Loan payable	-	11.28	12.93	11.50
11	Usha R Shah	Interest Paid	0.79	0.79	0.07	-
		Loan Taken	24.83	18.70	1.35	4.00
		Loan Repaid	36.03	8.85	-	8.00
		Loan payable	-	11.20	1.35	-
12	Sandhya N Shah	Interest Paid	0.85	0.82	0.48	0.16
		Loan Taken	16.09	14.06	4.03	4.07
		Loan Repaid	28.42	8.90	-	2.22
		Loan payable	-	12.33	7.18	3.15
13	Chamak J Parikh	Interest Paid	0.98	-	0.93	-
		Loan Taken	13.00	-	18.00	-
		Loan Repaid	13.00	-	18.00	-
14	Heta Tushar Parikh	Interest Paid	0.02	0.00	0.01	0.00
		Loan Taken	0.60	-	-	-
		Loan Repaid	0.65	-	-	-
		Loan payable	-	0.05	0.05	0.05
15	Namita T Parikh	Interest Paid	0.02	0.01	0.01	0.01
		Loan Taken	0.60	-	-	-
		Loan Repaid	0.70	-	-	-
		Loan payable	-	0.10	0.10	0.10
16	Jignash J. Kantawala	Interest Paid	0.18	0.15	0.02	-
		Loan Taken	-	3.00	0.50	-
		Loan Repaid	3.50	-	-	-
		Loan payable	-	3.50	0.50	-
17	Lina Suketu Parikh	Interest Paid	0.08	0.12	0.09	-
		Loan Taken	-	0.25	1.25	-
		Loan Repaid	1.50	-	-	-
		Loan payable	-	1.50	1.25	-
18	Sheetal Sundeep Parikh	Interest Paid	0.08	0.14	0.11	-
		Loan Repaid	1.50	-	-	-
		Loan Taken	-	-	1.50	-

Sr. No.	Entity Name	Type of Transactions	Nine-month period ended December 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
		Loan payable	-	1.50	1.50	-
19	Tushar R Parikh	Interest Paid	0.02	0.11	0.09	-
		Loan Repaid	1.20	-	-	-
		Loan Taken	-	-	1.20	-
		Loan payable	-	1.20	1.20	-
20	Sundeep Parikh	Interest Paid	0.06	0.06	-	-
		Loan Taken	-	1.20	-	-
		Loan Repaid	1.20	-	-	-
		Loan payable	-	1.20	-	-
21	Dipak Amarshi	Interest Paid	0.95	1.65	1.05	0.81
		Loan Taken	2.35	1.55	5.85	13.65
		Loan Repaid	21.25	0.48	1.20	12.63
		Loan payable	-	18.90	17.82	13.18
22	Sharad Mehta	Interest Paid	-	-	-	0.04
		Loan Repaid	-	-	-	3.00
23	Raksha Bhisamkumar Gupta	Interest Paid	-	-	-	0.01
		Loan Repaid	-	-	-	3.00
24	Tushar N. Dharia (H.U.F.)	Interest Paid	-	-	-	0.05
		Loan Repaid	-	-	-	0.50
25	Friends Fab Form Private Limited formerly known as Consolidated Chemequip (MFR) Corpn	Purchase Equipments, including freight thereon	0.10	14.65	2.56	0.20
		Purchase of Stores & Consumables	0.22	0.04	-	-
		Purchase of MEIS License	1.26	0.44	6.81	2.14
		Advance for Equipments	-	-	7.86	1.73
		Creditors payables	0.12	-	-	-
26	Dipnal Valve Tubestos Co.	Purchase Equipments, including freight thereon	0.48	1.29	1.06	1.87
		Purchase of Stores & Consumables	0.16	1.16	0.27	0.17
		Creditors payables	0.26	0.06	0.10	0.60
27	Heat Fabs	Purchase Equipments, including freight thereon	13.08	11.01	19.06	16.61
		Purchase of Stores & Consumables	3.05	1.88	1.68	2.72
		Professional Charges	-	0.00	-	-
		Creditors payables	2.26	3.22	2.35	-
28	Sentinel Electric Co.	Purchase Equipments, including freight thereon	-	0.00	-	0.01
		Purchase of Stores & Consumables	-	0.06	0.07	0.12
29	Hitesh Sheth	Salary	2.31	-	-	-
		Salary payable	0.29	-	-	-
30	Suvarnalata Gurav	Salary	0.23	-	-	-
		Salary payable	0.05	-	-	-

For details, see "*Related Party Transactions*" on page 334.

While all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

41. Our Promoters and certain of our Directors may be interested in our Company other than remuneration and reimbursement of expenses.

Our Promoters and certain of our Directors, while managing the day to day operations, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and benefits arising therefrom and benefit arising from purchase of property. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. While our Promoters and Directors believe that they act in the benefit and best interest of the Company, there can be no assurance of continuing the same. For details, see "*Our Promoters and Promoter Group*", "*Our Management*" and see "*Related Party Transactions*" on pages 232, 215, 334, respectively.

42. Our Promoters will be able to exercise significant influence and control over our Company after this Offer and may have interests that are different from those of our other shareholders.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold (a) 16,500,000 Equity Shares aggregating to 28.45% of the issued, subscribed and paid-up Equity Share capital of our Company (as first holders only), and (b) 35,999,000 Equity Shares aggregating to 62.07% of the issued, subscribed and paid-up Equity Share capital of our Company (first or second holders). By virtue of their majority shareholding, our Promoters will have the ability to exercise significant influence over our Company and our affairs and business, including the election of our Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of our assets and the approval of most other actions requiring the approval of our Shareholders. The interests of our Promoters may be different from or conflict with the interests of our other Shareholders.

43. Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report which has been exclusively commissioned and paid for by our Company

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report, which is not related to our Company, Directors or Promoters. We exclusively commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report.

You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer.

44. We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.

Our ability to pay dividends depends on our earnings, financial condition, cash flows, capital requirements, applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We may, in the future, be restricted by the terms of our loan agreements, from making any dividend payments, unless otherwise agreed upon by our lenders. We cannot assure you that we will be able to pay dividends in the future. For further details on our dividend policy and dividends paid, see "*Dividend Policy*" on page 243. Additionally, the Finance Act, 2020 provides, among other things, 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, 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 are likely be subject to tax deduction at source. Our 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.

45. We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.

This Draft Red Herring Prospectus includes certain non – GAAP ratios such as, EBITDA, EBITDA margin, asset turnover ratio, debt to equity, net debt to EBITDA, ROCE, ROE, net working capital days, PAT and PAT margin (collectively "**Non-GAAP Measures**"), which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation, or as a substitute for financial information presented in Restated Summary Statements, as prepared in accordance with Ind AS. There are significant limitations to using Non-GAAP Measures as measures of performance, including the lack of comparability of results of operations of different companies and different methods of calculating Non-GAAP Measures reported by different companies.

46. ***Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds towards repayment/ prepayment, in full or part, of certain borrowings availed of by our Company, funding working capital requirements of our Company and general corporate purposes. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" on page 128. However, these objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. We will appoint a monitoring agency for monitoring the utilisation of Offer Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters or controlling shareholders, if applicable, would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Offer, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders, if applicable, to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company.

Further, we cannot assure you that the Promoters, will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of the Offer Proceeds, if any, which may adversely affect our business and results of operations.

47. ***Our Company will not receive any proceeds from the Offer for Sale.***

The Selling Shareholders are selling Equity Shares in the Offer for Sale and will receive proceeds as part of the Offer for Sale. The Offer includes an Offer for Sale of Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, and we will not receive any such proceeds. For further details, see "*Objects of the Offer*" and "*Capital Structure*" on pages 128 and 75, respectively.

External Risk Factors

RISKS RELATED TO INDIA

48. ***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 capital markets are influenced by economic, political and market conditions in India and globally. Our Company is incorporated in India, and all of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy as well as the economies of the regional markets in which we operate. Further, the following illustrative external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to trade barriers have led to increased incidents of social unrest in India over which we have no control;
- instability in other countries and adverse changes in geopolitical situations such as the ongoing conflict between Russia and Ukraine;
- civil unrest, local agitation, acts of violence, terrorist attacks, regional conflicts or situations of war;

- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years; and
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

49. 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 whom 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 and the escalation of Omicron variant. 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.

50. 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.

51. 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 debt rating by the DBRS Morningstar decreased from BBB to BBB "low" on May 20, 2021, was rated by S&P as BBB- with a "stable" outlook as at July 13, 2021 and was rated BBB- with a "negative" outlook by Fitch on November 16, 2021. 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 additional 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. Such events may adversely affect our business and results of operations as well as the trading price of the Equity Shares.

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

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

- the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. Given the recent implementation of GAAR, there can be no assurances as to the manner in which this tax regime will be implemented, which could create uncertainty.

- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

- A draft of the Personal Data Protection Bill, 2019 was introduced before the Lok Sabha on December 11, 2019. 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.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including with regard to labour, foreign investment, stamp duty, customs duty and anti-dumping duty governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. 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 application, 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 business or restrict our ability to grow our businesses in the future.

53. If inflation were to rise in India, we might not be able to increase the prices of our products 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 price of our products 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.

54. Investors may not be able to enforce a judgment of a foreign court against our Company outside India.

Our Company is incorporated under the laws of India. Our Company’s assets are located in India and all of our Company’s Directors and Key Managerial Personnel are residents of 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 against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, Hong Kong and United Arab Emirates. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore, Hong Kong and United Arab Emirates, among others, have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of 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 recognize 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 favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages on the same basis and to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice or public policy. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

55. 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.

Foreign ownership of Indian securities is subject to Government regulation. 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 pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not 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. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. 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 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, 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 RBI 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 395.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

56. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

RISKS RELATED TO THE OFFER AND THE EQUITY SHARES

57. 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 140 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, with respect to certain previous initial public offerings managed by the BRLMs, the current market price of securities listed in such offerings 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 364. 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.

58. After the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

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 shall 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 of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, 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.

59. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay 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 require certain compliances, such as undertaking an open offer, which may prevent a potential acquirer from attempting to take control of our Company. 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, it is possible that such a takeover would not be attempted or consummated.

60. You may not purchase Equity Shares in the Offer if you are outside India unless you receive a copy of the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the international wrap attached to it.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. In order to ensure compliance with Regulation S, each purchaser of the Equity Shares in the Offer who has not received a copy of the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, shall be deemed to make the representations, warranties, agreements and undertakings set forth in "*Other Regulatory and Statutory Disclosures - Eligibility and Transfer Restrictions*" on page 361. Do not submit a bid for Equity Shares in the Offer if you are unable to make the representations, warranties, agreements and undertakings set forth therein. As set forth therein, each purchaser of the Equity Shares in the Offer agrees to indemnify and hold our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of those representations, warranties or agreements.

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

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and 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 for 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, among 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 will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends 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.

Further, the Finance Act, 2022, which received the asset of the President of India on March 30, 2022, has, among others things, provided a number of amendments to the direct and indirect tax regime. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or in the industry we operate in.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, 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.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

62. Fluctuation 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 in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

63. 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.

64. ***Any future issuance of Equity Shares, or stock options, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

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

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offer document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

66. ***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 submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, 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 submitting a Bid. RIBs can revise or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' 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 operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

67. ***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. After the Basis of Allotment is approved by the Designated Stock Exchange, the Company undertakes the Allotment and the demat account of the Allottees with depository participants in India are credited with the Equity Shares. The Allotment of Equity Shares in this Offer, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to complete within six working days of the Bid Closing Date (or such other period as prescribed under applicable laws). 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 commence 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 as specified herein. We could also be required to pay interest at the applicable rates if allotment is not made, unblocking intimation/ refund intimation, as applicable are not dispatched or demat credits are not made to investors within the prescribed time periods.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares[(1)^]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
***of which*:**	
Fresh Issue [(1)^]	Up to [●] Equity Shares, aggregating up to ₹ 2,500 million
Offer for Sale [(2)]	Up to 9,000,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
The Offer^ comprises of:	
A) QIB Portion[(3)(4)]	Not more than [●] Equity Shares
***of which*:**	
(i) **Anchor Investor Portion**[(4)]	Up to [●] Equity Shares
of which	
Available for allocation to domestic Mutual Funds only	At least [●] Equity Shares
(ii) **Net QIB Portion (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)**	At least [●] Equity Shares
(b) **Balance for all QIBs including Mutual Funds**	[●] Equity Shares
B) Non-Institutional Portion [(5)]	Not less than [●] Equity Shares
C) Retail Portion [(5)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	58,000,000 Equity Shares
Equity Shares outstanding post the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 128 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

^Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(1) *The Offer has been authorized by a resolution of our Board dated February 24, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated March 3, 2022.*

(2) *The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations and have been held by the Selling Shareholders for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For further details, please see "Annexure A" and "Other Regulatory and Statutory Disclosures" on page 358.*

(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 only, 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 Net 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 further details, see "Offer Procedure" on page* 378.

(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, subject to applicable law. In the event of an under-subscription in the Offer, (i) the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the*

minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.

(5) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder 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. The Equity Shares available for Allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non Institutional Investor shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non Institutional 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 further details, see "Offer Procedure" on page 378.*

For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure"* and "*Offer Procedure*" on pages 375 and 378 respectively. For further details of the terms of the Offer, see "*Terms of the Offer*" on page 369.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of our financial information derived from the Restated Financial Information as at and for the nine month period ended December 31, 2021 and as at and for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 244 and 335, respectively.

Restated Balance Sheet

(all amounts are in ₹ million, unless otherwise stated)

Particulars	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	2,569.20	2,651.36	1,680.98	1,260.21
(b) Capital work-in-progress	396.54	201.90	826.67	759.88
(c) Other Intangible assets	1.01	2.87	5.51	6.00
(d) Loans and Advances	18.44	18.36	18.02	17.99
(e) Other non-current assets	13.46	23.46	22.21	45.43
Total non-current assets	**2,998.65**	**2,897.95**	**2,553.39**	**2,089.51**
Current Assets				
(a) Inventories	1,097.25	810.75	585.33	678.46
(b) Financial Assets				
(i) Trade receivables	1,470.93	1,458.58	1,129.47	1,057.12
(ii) Cash and cash equivalents	107.82	63.63	131.55	121.67
(iii) Bank Balances other than (ii) above	2.39	2.30	2.11	1.53
(iv) Loans and Advances	4.29	5.65	3.99	3.06
(vi) Other Financial Assets	1.04	-	-	-
(c) Other current assets	85.15	220.11	191.53	169.37
(d) Current Tax Assets (Net)	43.93	38.24	39.06	-
Total Current Assets	**2,812.80**	**2,599.26**	**2,083.04**	**2,031.21**
TOTAL ASSETS	**5,811.45**	**5,497.22**	**4,636.43**	**4,120.72**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	29.00	29.00	29.00	29.00
(b) Other Equity	2,266.19	1,773.14	1,524.93	1,158.54
Total Equity	**2,295.19**	**1,802.14**	**1,553.93**	**1,187.54**
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	508.31	587.98	904.68	952.08
(b) Deferred tax liabilities (net)	202.95	180.72	143.59	160.88
(c) Provisions	5.94	4.87	7.33	4.72
Total non-current liabilities	**717.20**	**773.57**	**1,055.60**	**1,117.68**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	819.41	771.95	203.93	353.49
(ii) Trade payables				
(A) total outstanding dues of MSME; and	31.01	38.29	-	-
(B) total outstanding dues of creditors other than MSME	1,388.14	1,527.88	1,289.90	1,101.18

Particulars	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
(iii) Other financial liabilities	299.81	337.93	373.23	179.82
(b) Other current liabilities	193.48	213.17	139.65	162.99
(c) Provisions	46.67	32.29	20.19	18.02
(d) Current Tax Liabilities (Net)	20.54	-	-	-
Total Current liabilities	**2,799.06**	**2,921.51**	**2,026.90**	**1,815.50**
Total Liabilities	**3,516.26**	**3,695.08**	**3,082.50**	**2,933.18**
TOTAL EQUITY AND LIABILITIES	**5,811.45**	**5,497.22**	**4,636.43**	**4,120.72**

Restated Statement of Profit and Loss

(all amounts are in ₹million, unless otherwise stated)

Particulars	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Revenue from Operations	6,269.32	5,955.40	5,312.40	4,983.00
Other income	52.53	65.96	34.75	5.74
Total Income	**6,321.85**	**6,021.36**	**5,347.15**	**4,988.74**
Expenses:				
Cost of materials consumed	3,231.46	3,513.50	2,475.50	2,761.46
Purchase of stock-in-trade	1,066.45	1,082.43	1,134.98	1,184.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(82.48)	(217.18)	117.41	(207.71)
Employee Benefits Expenses	209.77	188.65	217.85	158.84
Finance costs	95.00	116.88	86.35	56.32
Depreciation and Amortization Expenses	129.06	126.95	104.04	78.51
Other Expenses	1,000.28	872.23	772.34	574.40
Total Expenses	**5,649.54**	**5,683.46**	**4,908.47**	**4,606.59**
Profit before Tax	**672.31**	**337.90**	**438.68**	**382.15**
Tax Expense:				
Current Tax	151.77	50.5	78	119.35
Deferred Tax	23.43	36.56	(17.06)	25.60
Adjustment for Tax of earlier years	(3.85)			
Profit for the year	**500.96**	**250.84**	**377.74**	**237.20**
Other Comprehensive Income				
A. Items that will not be reclassified to profit or loss	4.77	(2.27)	0.89	0.23
B. Income tax related to items that will not be reclassified to profit or loss	(1.20)	0.57	(0.22)	(0.08)
Total comprehensive income for the period	**497.39**	**252.54**	**377.07**	**237.05**
Earning per equity share				
Basic	34.55	17.30	26.05	16.36
Diluted	34.55	17.30	26.05	16.36

Restated Statement of Cashflows

(all amounts are in ₹ million, unless otherwise stated)

Particulars	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Cash Flow from Operating Activities				
Net Profit Before Tax	667.54	340.17	438.68	382.15
Adjustments for :				
Depreciation/ Amortisation	129.06	126.95	104.04	78.51
Loss on Sale of Fixed Assets	1.68	-	-	0.08
Interest income	(0.20)	(0.98)	(1.29)	(1.96)
Finance Cost	84.62	105.21	76.71	46.42
Remeasurement of net defined benefit plans	3.73	0.52	0.24	(0.33)
Net (gain) / loss on foreign exchange fluctuation	(47.66)	(58.59)	-	-
Sundry Balances Written Back	(3.81)	(1.27)	4.50	4.15
Provision for Doubtful Debts	(0.59)	1.88	-	-
Total Adjustments	**166.83**	**173.72**	**184.20**	**126.87**
Operating profit before working capital changes	**834.37**	**513.89**	**622.88**	**509.02**
Changes in working capital:				
Adjustment for (increase)/decrease in operating assets				
(Increase)/ Decrease in trade receivables and Other receivables	(12.94)	(327.23)	(72.11)	8.29
(Increase)/ Decrease in inventories	(286.50)	(225.42)	93.12	(213.57)
(Increase)/ Decrease in other non current financial assets	-	-	(39.99)	(8.07)
(Increase)/ Decrease in other current financial assets	145.18	(31.20)	18.21	(40.84)
Adjustment for increase/(decrease) in operating liabilities				
Increase/ (Decrease) in trade payables	(147.28)	277.22	184.38	261.93
Increase/ (Decrease) in other Financial liabilities	(38.11)	(35.30)	188.43	64.19
Increase/ (Decrease) in other current liabilities	(19.69)	73.52	(23.35)	36.79
Increase/ (Decrease) in other provisions	(35.99)	9.64	4.77	3.16
Cash generated from Operations	**439.04**	**255.13**	**976.34**	**620.90**
Income taxes refunded / (paid), net	(134.20)	(53.83)	(117.49)	(92.75)
Net cash generated from operating activities	**304.84**	**201.30**	**858.85**	**528.15**
Cash Flow from Investing Activities				
Purchase of fixed assets	(251.74)	(471.81)	(591.32)	(959.90)
Proceeds from sale of property, plant and equipment	-	1.27	0.20	0.04
Interest received	0.20	0.98	1.29	1.96
Capital Advance		-	23.22	(7.86)

Particulars	Nine-month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Net cash (used in) / generated from investing activities	**(251.54)**	**(469.56)**	**(566.61)**	**(965.76)**
Cash Flow from Financing Activities				
Proceeds from long-term loans	32.20	251.31	(196.95)	572.11
Finance costs paid	(84.62)	(105.21)	(76.71)	(46.42)
Derivatives	-	-	-	-
Dividend paid	(4.35)	(4.35)	(8.70)	(4.34)
Net cash used in financing activities	**(56.77)**	**141.75**	**(282.36)**	**521.35**
Exchange Rate Difference	47.66	58.59	-	-
Increase / (Decrease) In Cash and Cash Equivalents	**44.19**	**(67.92)**	**9.88**	**83.74**
Cash and cash equivalents at the beginning of the year	63.63	131.55	121.67	37.93
Cash and cash equivalents at the end of the year	**107.82**	**63.63**	**131.55**	**121.67**

GENERAL INFORMATION

Our Company was originally incorporated as "Prachi Poly Products Private Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated January 24, 1992, issued by the RoC. The name of our Company was subsequently changed to "Prachi Poly Products Limited", upon conversion into a public company, pursuant to a board resolution dated November 26, 1994, and a shareholders' resolution dated December 5, 1994, and a certificate of change of name was issued on January 10, 1995 by the RoC. Thereafter, the name of our Company was changed to "Prasol Chemicals Limited", to better represent our Company's name with its activities, pursuant to a board resolution dated December 7, 2006 and a shareholders' resolution dated January 18, 2007, and a certificate of change of name was issued on March 26, 2007 by the RoC. The name of our Company was subsequently changed to "Prasol Chemicals Private Limited", upon re-conversion into a private company, pursuant to a board resolution dated October 5, 2016 and a shareholders' resolution dated December 1, 2016, and a certificate of change of name was issued on June 5, 2017 by the RoC. The name of our Company was subsequently changed to "Prasol Chemicals Limited", upon conversion into a public company, pursuant to a board resolution dated December 23, 2021 and a shareholders' resolution dated January 15, 2022, and a certificate of change of name was issued on February 4, 2022 by the RoC. For details in relation to change in the address of the registered office of our Company, see "*History and Certain Corporate Matters – Change in the Registered Office*" on page 211.

Registered and Corporate Office

Prasol Chemicals Limited
Prasol House, Plot No A - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C., Navi Mumbai,
Thane, Maharashtra – 400710, India

Corporate identity number and registration number

Corporate Identity Number: U99999MH1992PLC065026

Registration Number: 065026

Address of the RoC

Our Company is registered with the Registrar of Companies situated at the following address:

Registrar of Companies
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Our Board

Our Board comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus**:**

Name	Designation	DIN	Address
Nishith Rajnikant Shah	Chairman and Whole-time Director	00381267	41, Valentina, Naoroji Gamadia Road, Near Activity School, Off Peddar Road, Cumballa Hill, Mumbai – 400026, Maharashtra, India
Gaurang Natwarlal Parikh	Managing Director	00190701	Blue Garden CHSL, 7th floor, Flat No. 23, Dr. G.D. Marg, Opposite Jindal House, Peddar Road, Cumballa Hill, Mumbai – 400026, Maharashtra, India
Dhaval Nalin Parikh	Joint Managing Director	01636199	3103 3104 T4, Crescent Bay, Jerbai Wadia Road, Parel Bhoiwada, Mumbai, Mumbai City 400012, Maharashtra, India
Pankil Nishith Dharia	Whole-time Director – Strategy and Business Development	03309485	Flat number 16, 8th floor, Brij Bhavan Building, 630 Peddar Road, Cumballa Hill, Mumbai - 400026, Maharashtra, India
Lakshmi Kantam Mannepalli	Non-Executive Independent Director	07831607	2-2-20/B/8, Flat number 501 Palms DD colony, Bagh Amberpet, Hyderabad - 500013, Telangana, India
Ajay Motilal Jain	Non-Executive Independent Director	02815416	Flat Number 802, EMP-49, Thakur Village, Kandivali East, Mumbai - 400101, Maharashtra, India
Srinivasan Subramanian	Non-Executive Independent Director	09439443	Unit Number 3, Green House, Plot Number 93, Sector 21, Nerul, Navi Mumbai, Node-3, Thane, Mumbai – 400706, Maharashtra, India

Name	Designation	DIN	Address
Ramakrishnan Gopalkrishnan	Non-Executive Independent Director	00264760	Raaj Plot Number 51, Sector Number 28, Behind Hotel Blue Diamond, Vashi, Navi Mumbai– - 400703, Maharashtra, India

For brief profiles and further details of our Directors, see "*Our Management*" on page 215.

Company Secretary and Compliance Officer

Kiran Agrawal
Prasol House, Plot No – - 17/2/3,
T. T. C. Industrial Area, Khairne M.I.D.C., Navi Mumbai,
Thane, Maharashtra – 400710, India
Tel: + (91) 22 61952500
E-mail: investorservices@prasolchem.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related issues, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of unblocking intimation/ refund intimation, as applicable or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, 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's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025, Maharashtra, India
Tel: (+91 22) 6630 3030
Email: prasol.ipo@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

DAM Capital Advisors Limited
(Formerly IDFC Securities Limited)
One BKC, Tower C, 15th Floor, Unit No. 1511,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Maharashtra, India
Tel: +(91 22) 4202 2500
E-mail: prasol.ipo@damcapital.in
Website: www.damcapital.in
Investor grievance e-mail: complaint@damcapital.in
Contact person: Gunjan Jain
SEBI Registration No: INM000011336

Inter-se allocation of responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

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 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. 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	JMFL, DAM Capital	JMFL
2.	Drafting and approval of statutory advertisement	JMFL, DAM Capital	JMFL
3.	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	JMFL, DAM Capital	DAM Capital
4.	Appointment of Registrar to the Offer, Printers, Banker(s) to the Offer, Monitoring Agency, Advertising agency etc (including coordinating all agreements to be entered with such parties)	JMFL, DAM Capital	JMFL
5.	Preparation of road show presentation and FAQs for the road show team	JMFL, DAM Capital	DAM Capital
6.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • 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.	JMFL, DAM Capital	JMFL

7.	International institutional marketing of the Offer, which will cover, *inter alia*: • 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.	JMFL, DAM Capital	DAM Capital
8.	Conduct non-institutional marketing of the Issue , which will cover, inter-alia: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non - Institutional Investors	JMFL, DAM Capital	DAM Capital
9.	Conduct retail marketing of the Issue, 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. • Finalising brokerage structure and calculations • Follow - up on distribution of publicity and • Issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material	JMFL, DAM Capital	JMFL
10.	Coordination with Stock Exchanges for anchor allocation intimation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JMFL, DAM Capital	DAM Capital
11.	Managing the book and finalization of pricing in consultation with our Company	JMFL, DAM Capital	JMFL
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of unblocking intimation to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including, 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. 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.	JMFL, DAM Capital	DAM Capital

Syndicate Members

[●]

Legal Counsel to our Company as to Indian law

Trilegal
Peninsula Business Park
17th Floor, Tower B,
Ganpat Rao Kadam Marg,
Lower Parel (West),
Mumbai 400 013
Tel: +(91 22) 4079 1000

Legal Counsel to the BRLMs as to Indian law

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

Special International Legal Counsel to the BRLMs
Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318
Tel: +(65) 6311 0030

Advisor to the Company

Axcelus Finserv Private Limited
3rd Floor, WeWork Enam Sambhav
G-Block, Bandra Kurla Complex
Bandra East
Mumbai 400 051
Maharashtra
Email: info@axcelus.in
Telephone: +(91 22) 6462 0865/6

Joint Statutory Auditors to our Company

C N K & Associates LLP
501, Narain Chambers,
M.G Road, Vile Parle East,
Mumbai 400 057
Tel: (+91 22) 62507600
Email: cnkvlp@cnkindia.com
Peer review number: 013232
Firm Registration number: 101961W/W-100036

S. V. Shanbhag & Co.
122/124/125, Vardhaman Market,
Plot No. 75, Opp. Andhra Bank,
Vashi, Navi Mumbai, 400703
Tel: +(91 22) 2788 9955/56/57
Email: svshanbhag.co@gmail.com
Peer review number: 013796
Firm Registration number: 109887W

Changes in the auditors

Except as disclosed below, there has been no change in the statutory auditors of the Company in the last three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	Date of change	Reason for change
1.	S. V. Shanbhag & Co. Tel: +(91 22) 2788 9955/56/57 Email: svshanbhag.co@gmail.com Peer review number: 013796 Firm Registration number: 109887W	January 15, 2022	Appointment as Joint Statutory Auditors
2.	CNK & Associates LLP Tel: (+91 22) 62507600 Email: cnkvlp@cnkindia.com Peer review number: 013232 Firm Registration number: 101961W/W-100036	January 15, 2022	Appointment as Joint Statutory Auditors
3.	CNK & Associates LLP Tel: +(91 22) 62507600 Email: cnkvlp@cnkindia.com Peer review number: 013232 Firm Registration number: 101961W/W-100036	August 30, 2021	Appointment as statutory auditors of the Company
4.	S. V. Shanbhag & Co. Tel: +(91 22) 2788 9955/56/57 Email: svshanbhag.co@gmail.com Peer review number: 013796 Firm Registration number:109887W	August 11, 2021	Resignation due to pre-occupation

Registrar to the Offer

KFin Technologies Limited
(f*ormerly known as K Fin Technologies Private Limited*)
Selenium, Tower-B, Plot 31 & 32, Financial District,
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032,
Telangana, India
Tel: +91 40 6716 2222 / 1800 309 4001
E-mail: pcl.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: M. Murali Krishna
SEBI registration no.: INR000000221

Banker(s) to the Offer

Escrow Collection Bank

[●]

Public Offer Bank

[●]

Refund Bank

[●]

Sponsor Banks

[●]

Bankers to our Company

DBS Bank India Limited
Ground Floor, Express Towers,
Nariman Point, Mumbai - 400 021
Tel No: 022 6638 8888
Website: https://www.dbs.com/in
Contact Person: Saiprasad Shetye
Email: saiprasadshetye@dbs.com
CIN: U65999DL2018FLC329236

HDFC Bank Limited
4th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.
Tel No: 022 3395 8093
Website: https://www.hdfcbank.com
Contact Person: Prateek Gattani
Email: prateek.gattani@hdfcbank.com

IDBI Bank Limited
Mittal Court, 2nd Floor,
B Wing, Nariman Point,
Mumbai - 400 021
Tel No: 022 6127 9263
Website: https://www.idbibank.in
Contact Person: Thinakaran T.
Email: thinakaran@idbi.co.in
CIN: L65190MH2004GOI148838

Kotak Mahindra Bank Limited
27 BKC, 2nd Floor, Plot No. C- 27, G Block, Bandra Kurla Complex, Bandra East
Tel No: 022 6166 0255
Website: https://www.kotak.com
Contact Person: Apeksha Makharia
Email: Apeksha.Makharia@kotak.com
CIN: L65110MH1985PLC038137

Standard Chartered Bank
Crescenzo, 6th Floor, C - 38 & 39, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051
Tel No: 022 4265 8085
Website: https://www.sc.com/in
Contact Person: Ujjal Lahiri
Email: Lahiri.ujjal@sc.com
CIN: F00489

Union Bank of India
Union Bank Bhawan, 239, Vidhan Bhawan Marg, Nariman Point, Mumbai - 21
Tel No: 022 2789 2163
Website: https://www.unionbankofindia.co.in
Contact Person: Abhishek Singh
Email: bm0627@unionbankofindia.com
CIN: U99999MH1919PTC000615

Citicorp Finance India Ltd
8th First International Finance Centre (FIFC), G-block, plot nos. C-54 and C-55. Bandra Kurla Complex, Bandra (East), Mumbai - 400 098, India
Tel No: +9122 6175 6620
Website: https://www.citicorpfinance.co.in
Contact Person: Swananad Sapre
Email: swanand.spare@citi.com
CIN: U65910MH1997PLC253897

Citibank N.A.
First International Finance Centre (FIFC), G-block, plot nos. C-54 and C-55. Bandra Kurla Complex, Bandra (East), Mumbai - 400 098, India
Tel No: +91 98954 55922
Website: https://www.online.citibank.co.in
Contact Person: Ajith Thomas
Email: ajit.thomas@citi.com
CIN: F00471

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 RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA 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 and mobile applications enabled 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, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears 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. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any other website 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, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

RTAs

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 https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm, 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 name and contact details, is provided on the website of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts to the Offer

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

Our Company has received written consents each dated April 13, 2022 from C N K & Associates LLP and S. V. Shanbhag & Co. respectively, Chartered Accountants, to include their names as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of (i) their examination report dated February 24, 2022 relating to the Restated Financial Information; and (ii) the statement of special tax benefits dated April 13, 2022 in this Draft Red Herring Prospectus; and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consents thereof do not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated April 13, 2022 from JMT and Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered accountants in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated April 13, 2022 from Aditya Saxena, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 128.

Appraising Agency

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of the Offer Documents

A copy of this Draft Red Herring Prospectus has been filed through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation 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 documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC, and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

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 (and the Revision Forms) within the Price Band, which 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 [●], an English national daily newspaper, all editions of [●] a Hindi national daily newspaper, and Mumbai edition of [●], a Marathi newspaper (Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located), each with wide circulation, 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 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. For further details, see "*Offer Procedure*" on page 378.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through 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 Bidders are not allowed 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. RIBs Bidding in the Retail Portion 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. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process 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 Structure*" and "*Offer Procedure*" on pages 375 and 378, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Terms of the Offer*" and "*Offer Procedure"* on pages 369 and 378, respectively.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. 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. It is proposed that 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, 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 completed before filing the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board / IPO Committee, will at its meeting accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

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 nominal value	Aggregate value at Offer Price(1)
A	**AUTHORISED SHARE CAPITAL**		
	190,000,000 Equity Shares of face value ₹2 each	380,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	58,000,000 Equity Shares of face value ₹2 each	116,000,000	-
C	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value ₹ 2 each (1) (2)	[●]	[●]
	Of which		
	Fresh Issue of up to [●] Equity Shares of face value ₹2 each aggregating up to ₹ 2,500 million (1) (4)	[●]	[●]
	Offer for Sale of up to 9,000,000 Equity Shares of face value ₹2 each aggregating up to ₹ [●] million (3)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**(1)		
	[●] Equity Shares of face value ₹2 each	[●]	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (as on the date of this Draft Red Herring Prospectus.)	Nil	
	After the Offer (1)	[●]	

(1) *To be included upon finalization of the Offer Price.*

(2) *The Offer has been authorised by our Board pursuant to its resolution dated February 24, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated March 3, 2022*

(3) *The Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 358.*

(4) *Our Company, in consultation with the Selling Shareholders and Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

For details of changes to our Company's authorised share capital in the last 10 years, see "*History and Certain Corporate Matters*" on page 211.

Notes to the Capital Structure

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

(a) Equity Share capital

The following table sets forth the history of the equity share capital of our Company:

Date of allotment/ subscription	Number of equity shares	Face value (₹)**	Issue price per equity share (₹)	Form of consideration	Nature of allotment	Cumulative no. of equity shares
February 25, 1993	150,000	10	10	Cash	Subscription to the MOA upon incorporation of our Company and further issuance $(1)	150,000
April 1, 1994 ***	350,000	10	10	Cash	Further Issuance (2)	500,000
February 21, 1995*	200,000	10	10	Cash	Further Issuance (3)	700,000
March 16, 1995	500,000	10	10	Cash	Further Issuance (4)	1,200,000
February 23, 1996	1,108,500	10	10	Cash	Further Issuance (5)	2,308,500
March 14, 2002*	(135, 211)	10	N.A.	Cash	Buy back (6)	2,173,289
October 1, 2003	(325,800)	10	N.A.	Cash	Buy back (7)	1,847,489
February 2, 2004*	(100,732)	10	N.A.	Cash	Buy back (8)	1,746,757
July 12, 2007*	436,690	10	50	Cash	Rights issue (9)	2,183,447
December 10, 2009	545,862	10	60	Cash	Rights issue (10)	2,729,309
February 21, 2012***	363,908	10	125	Cash	Rights issue (11)	3,093,217
October 17, 2016	6,783	10	400	Cash	Private Placement of 4,321 equity shares to Bhisham Kumar Gupta, 958 equity shares to Gaurang Natwarlal Parikh, 1,504 equity shares to Dhaval Nalin Parikh	3,100,000
June 15, 2017*	(200,000)	10	N.A.	Cash	Buy back (12)	2,900,000
Pursuant to a Shareholders' resolution dated December 8, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed share capital of our Company comprising 29,00,000 equity shares of face value of ₹10 each was sub-divided into 1,45,00,000 equity shares of face value of ₹2 each						
January 18, 2022	43,500,000	2	N.A.	N.A.	Bonus issuance (13)	58,000,000

* *We have been unable to trace the complete set of corporate resolutions, filings, and other records, in relation to changes in our issued, subscribed and paid-up share capital. Accordingly, disclosures in relation to certain changes in our issued, subscribed and paid-up share capital have been made in reliance of (i) share allotments and share transfer registers, and (ii) certificate dated April 13, 2022 from Devendra V Deshpande, Practicing Company Secretary. Please also see "Risk Factors – Our Company was incorporated in 1992 and some of our corporate records relating to changes in the share capital of our Company, allotments made by our Company, buy-back of equity shares and transfers, acquisitions of Equity Shares made by our Promoters, and appointment /re-appointment of Directors, are not traceable" on page 45.*

** *Our Company pursuant to a resolution passed by our shareholders' dated June 23, 2016, approved consolidation of our authorised share capital from ₹ 40,000,000, divided into 4,000,000 equity shares of face value of ₹ 10 each to ₹ 40,000,000, divided into 400 equity shares of face value of ₹ 100,000 each. However, the aforesaid corporate action was subsequently rescinded by our Company pursuant to a resolution passed by our shareholders' dated November 3, 2016 and has consequently not been given effect to.*

*** *The equity shares allotted were partly paid-up at the time of allotment and were subsequently fully paid-up. The partly paid up shares issued in Fiscal 1995 were fully paid up in Fiscal 1995, and the partly paid up shares issued in Fiscal 2012 were fully paid up in Fiscal 2013.*

$ *The allotment includes initial subscription of 100 equity shares each by Nishith Rajnikant Shah, Tushar Natverlal Dharia and Sunil Shantilal Thakkar pursuant to the Memorandum of Association.*

(1) ***List of allottees who were allotted equity shares is as follows via allotment dated February 25, 1993 (including the original subscription to the MOA on January 13, 1992):***

2,800 equity shares allotted to Alpesh Surendra Parikh (held jointly with Amisha Alpesh Parikh), 3,300 equity shares allotted to Asit Rasiklal Dharia (held jointly with Hina Asit Dharia), 3,650 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin Narendra Parikh), 1,500 equity shares allotted to Chimanlal Pranlal Shah (HUF) (held jointly with Rajnikant Chimanlal Shah), 13,000 equity shares allotted to Dipak Mangalji Amarshi (held jointly with Ushma Dipak Amarshi), 2,750 equity shares allotted to Dipti Nalin Parikh (held jointly with Nalin Natvarlal Parikh), 5,000 equity shares allotted to Falguni Sunil Thakkar(held jointly with Sunil Shantilal Thakkar), 5,000 equity shares allotted to Hansaben Managalji Amarshi (held jointly with Nishith Rajnikant Shah), 4,400 equity shares allotted to Induben Rasiklal Dharia(held jointly with Rasiklal Chunnilal Dharia), 3,650 equity shares allotted to Jatin Narendra Parikh (held jointly with Chamak Jatin Parikh), 3,700 equity shares allotted to Jatin Narendra Parikh (HUF) (held jointly with Chamak Jatin Parikh), 5,950 equity shares allotted to Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia), 5,000 equity shares allotted to Mangalji Amarshi (held jointly with Hansaben Mangalji Amarshi), 2,750 Shares allotted to Madhukanta Natvarlal Parikh (held jointly with Nihir Nalin Parikh), 5950 Shares allotted to Mansi Tushar Dharia (held jointly with Ami Tushar Dharia), 3,050 equity shares allotted to Nehal Naresh Thakkar (held jointly with Nirav Naresh Thakkar), 3,050 equity shares allotted to Nirav Naresh Thakkar (held jointly with Nehal Naresh Thakkar), 15,000 equity shares allotted to Nishith Rajnikant Shah (held jointly with Rajnikant) (including 100 equity shares allotted on January 24, 1992 pursuant to the initial subscription to the Memorandum of Association), 3,300 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 2,750 equity shares allotted to Natvarlal Ochhavlal Parikh (held jointly with Dhaval Nalin Parikh), 2,750 equity shares allotted to Nalin Natvarlal Parikh (held jointly with Dipti Nalin Parikh), 11,500 equity shares allotted to Rajnikant Chimanlal Shah (held jointly with Usha Rajnikant Shah), 3,000 equity shares allotted to Rekha Naresh Thakkar(held jointly with Naresh Chatrabhuj Thakkar), 8,800 equity shares allotted to Sunil Shantilal Thakkar (held jointly with Falguni Sunil Thakkar) (including 100 equity shares allotted on January 24, 1992 pursuant to the initial subscription to the Memorandum of Association), 2,800 equity shares allotted to Sharad Dhirajlal Mehta (held jointly with Manorama Sharad Mehta), 5,000 equity shares allotted to Saloni Sunil Thakkar (held jointly with Falguni Sunil Thakkar), 5,000 equity shares allotted to Shantilal Dharamshi Thakkar (HUF) (held jointly with Sunil Shantilal Thakkar), 2,200 equity shares allotted to Sandhya Nishith Shah (held jointly with Nishith Rajnikant Shah), 11,520 equity shares allotted to Tushar Natwarlal Dharia (held jointly with Ami Tushar Dharia) (including 100 equity shares to be allotted on January 24, 1992 pursuant to the initial subscription to the Memorandum of Association), 380 equity shares allotted to Tushar Natvarlal Dharia (HUF) (held jointly with Ami Tushar Dharia) and 1,500 equity shares allotted to Ushaben Rajnikant Shah (held jointly with Rajnikant Chimanlal Shah).

(2) ***List of allottees who were allotted equity shares is as follows via allotment dated April 1, 1994:***

8,000 equity shares allotted to Falguni Sunil Thakkar, 4,000 equity shares allotted to Niyati Sunil Thakkar, 16,000 equity shares allotted to Suniti S Thakkar, 25,000 equity shares allotted to Madhukanta Natverlal Parikh, 30,000 equity shares allotted to Dipti Nalin Parikh, 30,000 equity shares allotted to Jatin Narendra Parikh, 15,000 equity shares allotted to N S Parikh (HUF), 15,000 equity shares allotted to Sharad Dhirajlal Mehta, 17,500 equity shares allotted to Dipak Mangalshi Amarshi, 26,500 equity shares allotted to Mangalji M. Amarshi, 25,000 equity shares allotted to Hansaben Mangalshi Amarshi, 25,000 equity shares allotted to Ushma Dipak Amarshi, 25,000 equity shares allotted to Rasiklal C Dharia, 25,000 equity shares allotted to Nishith Rasiklal Dharia HUF, 30,000 equity shares allotted to Naresh Chatrubhuj Thakkar, 10,000 equity shares allotted to Mansi Tushar Dharia and 23,000 equity shares allotted to Tushar Natverlal Dharia.

(3) ***List of allottees who were allotted equity shares is as follows, via allotment dated February 21, 1995:***

6,000 equity shares allotted to Usha Rajnikant Shah, 6,000 equity shares allotted to Sandhya Nishith Shah, 2,500 equity shares allotted to Anvi Nishith Shah, 6,000 equity shares allotted to Kamlaben Chimanlal Shah, 10,330 equity shares allotted to Nishith Rajnikant Shah, 2,500 equity shares allotted to Ashna Nishith Shah, 6,500 equity shares allotted to Tushar Natverlal Dharia , 9,800 equity shares allotted to Kunal Tushar Dharia, 16,000 equity shares allotted to Mansi Tushar Dharia, 1,030 equity shares allotted to Ami Tushar Dharia, 3,500 equity shares allotted to Dipti Nalin Parikh, 3,130 equity shares allotted to Madhukanta Natverlal Parikh,3,500 equity shares allotted to Nalin Natvarlal Parikh, 10,000 equity shares allotted to Nihar Nalin Parikh, 3,200 equity shares allotted to Natwerlal Ochhavlal Parikh, 10,000 equity shares allotted to Dhaval Nalin Parikh, 3,500 equity shares allotted to Hansaben Managalshi Amarshi, 3,500 equity shares allotted to Mangalji M. Amarshi, 3,000 equity shares allotted to Ushma Dipak Amarshi, 10,000 equity shares allotted to Dipak Mangalshi Amarshi, 10,000 equity shares allotted to Nishith Rasiklal Dharia, 4,710 equity shares allotted to Sonal Nishith Dharia, 10,000 equity shares allotted to Jatin Narendra Parikh, 3,300 equity shares allotted to Narendra Somalal Parikh, 7,500 equity shares allotted to Sunil Shantilal Thakkar, 7,500 equity shares allotted to Falguni Sunil Thakkar, 2,500 equity shares allotted to Usha Shantilal Thakkar, 2,500 equity shares allotted to Saloni S Thakkar, 20,000 equity shares allotted to Bhisham Kumar Gupta , 4,000 equity shares allotted to Sharad Dhirajlal Mehta and 8,000 equity shares allotted to Naresh Chatrubhuj Thakkar

(4) ***List of allottees who were allotted equity shares is as follows via allotment dated March 16, 1995:***

28,700 equity shares allotted to Bhisham Kumar Gupta (held jointly with Raksha Bhisham Gupta), 10,000 equity shares allotted to Rakesh Bhisham Gupta (held jointly with Bhisham Kumar Gupta), 10,000 equity shares allotted to Raksha Bhisham Gupta (held jointly with Bhisham Kumar Gupta), 9,740 equity shares allotted to Sharad Dhirajlal Mehta (held jointly with Manorama S. Mehta), 23,000 equity shares allotted to Jatin Narendra Parikh (held jointly with Chamak Jatin Parikh), 1,000 equity shares allotted to Jigna Jatin Parikh (held jointly with Chamak Jatin Parikh), 1,000 equity shares allotted to Sachin Jatin Parikh (held jointly with Chamak Jatin Parikh), 7,500 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin Narendra Parikh), 30,000 equity shares allotted to Sunil Shantilal Thakkar (held jointly with Falguni Sunil Thakkar), 6,700 equity shares allotted to Falguni Sunil Thakkar (held jointly with Sunil S Thakkar and Niyati S Thakkar), 12,000 equity shares allotted to Falguni Sunil Thakkar (held jointly with Sunil S Thakkar and Saloni S Thakkar), 19,480 equity shares allotted to Naresh Chatrubhuj Thakkar (held jointly with Rekhaben N. Thakkar), 6,040 equity shares allotted to Anvi Nishith Shah (held jointly with Nishith Rajnikant Shah), 14850 equity shares allotted to Kamlaben Chimanlal Shah (held jointly with Nishith Rajnikant Shah), 6,040 equity shares allotted to Ashna Nishith Shah (held jointly with Nishith Rajnikant Shah), 24,340 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 14,950 equity shares allotted to Sandhya Nishith Shah (held jointly with Nishith Rajnikant Shah), 14,950 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah), 27,700 equity shares allotted to Deepak Amarshi (held jointly with Ushma Amarshi), 6,300 equity shares allotted to Ushma D. Amarshi (held jointly with Deepak Amarshi), 7,350 equity shares allotted to Mangalshi Amarshi (held jointly with Hansaben M. Amarshi), 7,350 equity shares allotted to Hansaben Mangalshi Amarshi (held jointly with Mangalshi Amarshi), 10,700 equity shares allotted to Mansi Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 15,070 equity shares allotted to Ami Tushar Dharia (held jointly with Tushar Natverlal Dharia), 6,600 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 10,000 equity shares allotted to Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 22,600 equity shares allotted to Tushar Natwarlal Dharia (HUF) (held jointly with Ami Tushar Dharia), 1,62,00 equity shares allotted to Natwarlal Chunilal Dharia (HUF) (held jointly with Ami Tushar Dharia and Tushar Natverlal Dharia), 20,300 equity shares allotted to Dipti Nalin Parikh (held jointly with Nalin N. Parikh), 20,370 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Natverlal Parikh), 20,200 equity shares allotted to Nalin Natvarlal Parikh (held jointly with Dipti Nalin Parikh), 20,300 equity shares allotted to Natwerlal Ochhavlal Parikh (held jointly with Madhukanta N. Parikh), 4,870 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 20,800 equity shares allotted to Sonal Nishith Dharia (held jointly with Nishith Rasiklal Dharia), 10,000 equity shares allotted to Induben Rasiklal Dharia (held jointly with Rasiklal C. Dharia), 5,000 equity shares allotted to Satish Natvarlal Mody (held jointly with Raksha S. Mody), 3,000 equity shares allotted to Chandresh Mohanbhai Vanjara (held jointly with Smita M. Vanjara), 2,500 equity shares allotted to Partima Deepak Modi (held jointly with Gajendra Manilal Modi) and 2,500 equity shares allotted to Sachin Pravinchandra Parikh (held jointly with Achla Sachin Parikh).

(5) ***List of allottees who were allotted equity shares is as follows via allotment dated February 23, 1996:***

21,810 equity shares allotted to Nishith Rajnikant Shah, 57,500 equity shares allotted to Sandhya Nishith Shah, 17,500 equity shares allotted to Usha Rajnikant Shah, 6,581 equity shares allotted to Anvi Nishith Shah, 17,200 equity shares allotted to Kamlaben Chimanlal Shah, 6,581 equity shares allotted to Ashna Nishith Shah, 32,700 equity shares allotted to Kunal Tushar Dharia, 25,800 equity shares allotted to Mansi Tushar Dharia, 11,772 equity shares allotted to Tushar Natverlal Dharia , 2,900 equity shares allotted to Ami Tushar Dharia, 54,000 equity shares allotted to Shantaben Natwarlal Dharia, 15,500 equity shares allotted to Falguni Sunil Thakkar, 53,297 equity shares allotted to Sunil Shantilal Thakkar, 7,500 equity shares allotted to Usha Shantilal Thakkar, 43,465 equity shares allotted to Chamak Jatin Parikh, 1,000 equity shares allotted to Jatin Narendra Parikh, 3,250 equity shares allotted to Jigna J Parikh, 3,250 equity shares allotted to Sachin Jatin Parikh, 37,872 equity shares allotted to Dipti Nalin Parikh, 36,300 equity shares allotted to Nalin Natvarlal Parikh, 16,500 equity shares allotted to N O Parikh, 16,500 equity shares allotted to Madhukanta Natverlal Parikh , 10,000 equity shares allotted to Nihir Nalin Parikh, 10,000 equity shares allotted to Dhaval Nalin Parikh, 6,000 equity shares allotted to Asit Rasiklal Dharia, 33,100 equity shares allotted to Nishith Rasiklal Dharia, 6,000 equity shares allotted to Heena Asit Dharia, 10,750 equity shares allotted to Sonal Nishith Dharia, 15,259 equity shares allotted to Sharad Dhirajlal Mehta, 9,600 equity shares allotted to Nehal Naresh Thakkar, 9,600 equity shares allotted to Nirav Naresh Thakkar, 11,319 equity shares allotted to Rekha Naresh Thakkar, 72,059 equity shares allotted to Dipak Mangalshi Amarshi, 4,238 equity shares allotted to Mangalji M. Amarshi, 48,000 equity shares allotted to Bhisham Kumar Gupta , 2,000 equity shares allotted to Bhisham Kumar Gupta (HUF), 21,297 equity shares allotted to Rakesh Gupta, 5,000 equity shares allotted to Veenu Rakesh Gupta, 2,500 equity shares allotted to Kirit Manilal Dharia, 1,500 equity shares allotted to Minaxi D Kadakia, 1,500 equity shares allotted to Rita Minish Kadakia, 1,500 equity shares allotted to Paresh L Mehta, 1,000 equity shares allotted to Hemlata Pravin Mehta, 1,000 equity shares allotted to Reena Yusuf, 1,000 equity shares allotted to Siraj Yusuf, 2,500 equity shares allotted to Pratibha N. Thakkar, 1,000 equity shares allotted to Neepa Michael Saldana, 2,000 equity shares allotted to Nitin M Rangwalla, 2,500 equity shares allotted to Shashi Ramesh Mehta, 2,000 equity shares allotted to Jawahar A Shah, 1,000 equity shares allotted to Vijay Pednekar, 2,000 equity shares allotted to Rajendra N. Thakkar, 2,000 equity shares allotted to Uzma Babu Shaikh, 3,000 equity shares allotted to Pratibha Desai, 5,000 equity shares allotted to Narendra Palan, 3,000 equity shares allotted to Mukul Gupta, 3,750 equity shares allotted to

*Nayna Vora, 3,750 equity shares allotted to Prerana P Parikh, 3,750 equity shares allotted to Jatin N Desai , 7,500 equity shares allotted to Trupti Jiten Shah, 7,500 equity shares allotted to Jiten Raichand Shah , 30,000 equity shares allotted to Navnitlal Kodarlal Shah, 10,500 equity shares allotted to Hansa K Sanghvi, 7,500 equity shares allotted to Kishore G Sanghvi, 4,500 equity shares allotted to Mudrika Jitendra Jhaveri, 7,500 equity shares allotted to Sudhir Kantilal Doshi, 3,750 equity shares allotted to Pankaj Parekh, 3,750 equity shares allotted to Ochchavlal Sakarlal Mody, 3,750 equity shares allotted to Pravin Occhavlal Desai, 7,500 equity shares allotted to Hemali Shah, 3,750 equity shares allotted to Charu Jatin Shah, 3,750 equity shares allotted to Dina Girish Patel, 3,750 equity shares allotted to Girish Raojibhai Patel , 5,250 equity shares allotted to Parshottamdas Khiaram Popli, 5,250 equity shares allotted to Bina Parshotamdas Popli, 5,250 equity shares allotted to Anand Parshotam Popli, 5,250 equity shares allotted to Sanjay Parshotamdas Popli, 3,750 equity shares allotted to Gaurang Natwarlal Parikh , 4,500 equity shares allotted to Yagnesh Jhaveri, 3,750 equity shares allotted to Yogini Kiron Doshy, 7,500 equity shares allotted to Dilipkumar Chunilal Dharia, 7,500 equity shares allotted to Navinchandra C Doshi, 3,750 equity shares allotted to Suketu Navinchandra Parikh, 3,750 equity shares allotted to Sudha S. Mehta, 3,750 equity shares allotted to Sundeep Navinchandra Parikh , 7,500 equity shares allotted to Vivid Exports Pvt. Ltd, 3,750 equity shares allotted to Purnima Shahikant Dharia, 3,750 equity shares allotted to Paresh Rasiklal Parikh, 2,500 equity shares allotted to Chintan V Mody, 1,250 equity shares allotted to Urvish R Mody , 1,250 equity shares allotted to Hema V Mody , 2,500 equity shares allotted to Vinit R Mody, 1,000 equity shares allotted to Himanshu Akshay Shah, 3,750 equity shares allotted to Piya Pradip Thakkar, 3,750 equity shares allotted to Aditya Pradip Thakkar, 2,500 equity shares allotted to Arvind Chimanlal Parikh, 20,000 equity shares allottedto Nitin O Modi, 20,000 equity shares allotted to Hirendra N Doshi, 20,000 equity shares allotted to Alka H Doshi, 5,000 equity shares allotted to Bharat N Parikh, 5,000 equity shares allotted to Harshil M Kadakia, 4,500 equity shares allotted to Upendra J Shah, 800 equity shares allotted to Chandrakant T Patel, 800 equity shares allotted to Shaihnaz H Sutarwalla, 800 equity shares allotted to Asma Hatim Sutarwalla, 800 equity shares allotted to Hatim T Sutarwala, 800 equity shares allotted to Mumtaz H Suterwalla, 4,000 equity shares allotted to Siraj T Suterwalla, 4,000 equity shares allotted to Azeem S Suterwalla, 4,000 equity shares allotted to Masooma S Suterwalla, 4,000 equity shares allotted to Anis S Suterwalla, 1,500 equity shares allotted to Riyaz M Suterwalla, 1,500 equity shares allotted to Taber M Suterwalla, 1,500 equity shares allotted to Mansoor T Suterwalla and 1,500 equity shares allotted to Rashila M Suterwalla.***

(6) ***On March 7, 2002, 135, 211 shares were bought back from the following shareholders:***

163 equity shares bought back from Ashish Virendra Gandhi, 465 equity shares bought back from Anand Parshotam Popli, 245 equity shares bought back from Aditya Pradip Thakkar, 163 equity shares bought back from Amit Rajnikant Mody, 987 equity shares bought back from Anvi Nishith Shah, 987 equity shares bought back from Ashna Nishith Shah, 6,508 equity shares bought back from Nishith Rajnikant Shah, 1,240 equity shares bought back from Ami Tushar Dharia, 100 equity shares bought back from Ajay Niranjan Modi, 300 equity shares bought back from Aditi N. Kadakia, 163 equity shares bought back from Arine Jal Mehta, 65 equity shares bought back from Alka B. Vasani, 130 equity shares bought back from Bharatr Muchhala, 65 equity shares bought back from Bharat Multilal Shah, 495 equity shares bought back from Bina Parshotamdas Popli, 163 equity shares bought back from Biren Surendra Parikh, 163 equity shares bought back from Brijmohan Maheshwari, 5,900 equity shares bought back from Bhisham Kumar Gupta , 130 equity shares bought back from Bhisham Kumar Gupta (HUF), 600 equity shares bought back from Chamak Jatin Parikh, 325 equity shares bought back from Chandresh Jayantilal Vanjara , 85 equity shares bought back from Chirag Jayendra Desai, 163 equity shares bought back from Chhayaben Ashwin Dharia, 163 equity shares bought back from Chintan V Mody, 65 equity shares bought back from Chandrakant G Shah, 1,255 equity shares bought back from Dipnal Investments Pvt. Ltd., 3,942 equity shares bought back from Dipti Nalin Parikh, 2,284 equity shares bought back from Dhaval Nalin Parikh, 2,560 equity shares bought back from Dipak Mangalshi Amarshi, 163 equity shares bought back from Dipika P Shah, 163 equity shares bought back from Deepika Dharia, 163 equity shares bought back from Pankaj Dharia, 247 equity shares bought back from Dina Girish Patel, 3,299 equity shares bought back from Falguni Sunil Thakkar, 65 equity shares bought back from Ela Niranjan Modi, 9,358 equity shares bought back from Gaurang Natwarlal Parikh , 325 equity shares bought back from Girish Raojibhai Patel, 783 equity shares bought back from Heena Asit Dharia, 816 equity shares bought back from Hemali Navnitlal Shah, 163 equity shares bought back from Hemali Ashish Gandhi, 163 equity shares bought back from Hardik Rasiklal Kapadia, 1,360 equity shares bought back from Hansaben Managalshi Amarshi, 183 equity shares bought back from Himanshu Akshay Shah, 81 equity shares bought back from Hema V Mody, 120 equity shares bought back from Hemlata Pravin Mehta, 65 equity shares bought back from Kamlaben Shantilal Parikh, 300 equity shares bought back from Jagdish Kanitlal Dharia, 326 equity shares bought back from Kokila Navnitlal Shah, 260 equity shares bought back from Ketan Satishchandra Parikh, 3,300 equity shares bought back from Jatin Narendra Parikh, 1794 equity shares bought back from Jatin N Parikh Karta, 278 equity shares bought back from Jigna Jatin Parikh, 278 equity shares bought back from Sachin Jatin Parikh, 100 equity shares bought back from Jawahar A Shah, 2,000 equity shares bought back from Kalpana Tushar Parikh, 3,425 equity shares bought back from Kunal Tushar Dharia, 163 equity shares bought back from Ketan Madhusudan Desai HUF, 65 Shares bought back from Kalpana Dilip Dharia, 163 equity shares bought back from Kamal Suresh Asher, 65 equity shares bought back from Madhukanta Babulal Mody, 1,044 equity shares bought back from Madhukanta Natverlal Parikh , 295 equity shares bought back from Mudrika Jitendra Jhaveri, 163 equity shares bought back from Malti Gordhandas Mulani, 2,582 equity shares bought back from Mangalji M.

Amarshi, 700 equity shares bought back from Lina Suketu Parikh, 60 equity shares bought back from Mona Raj Kacheria, 163 equity shares bought back from Manisha N Shah , 240 equity shares bought back from Milind D. Kacheria, 3,426 equity shares bought back from Mansi Tushar Dharia, 163 equity shares bought back from Madhuben P Parikh , 100 equity shares bought back from Minaxi D Kadakia, 65 equity shares bought back from Mehboob Akbar Shaikh, 180 equity shares bought back from Mukul Gupta, 5,680 equity shares bought back from Nishith Rasiklal Dharia, 65 equity shares bought back from Nikhil Jayantilal Mody, 33 equity shares bought back from Nitin Manilal Parikh, 33 equity shares bought back from Nilam Nitin Parikh, 3,917 equity shares bought back from Nalin Natvarlal Parikh, 1,044 equity shares bought back from Natwerlal Ochhavlal Parikh, 2,284 equity shares bought back from Nihir Nalin Parikh, 2,611 equity shares bought back from Navnitlal Kodarlal Shah, 214 equity shares bought back from Narendra Somalal Parikh (HUF), 163 equity shares bought back from Nimish P Shah, 783 equity shares bought back from Navinchandra C. Parikh, 629 equity shares bought back from Nehal Naresh Thakkar, 2,119 equity shares bought back from Naresh Chatrubhuj Thakkar, 626 equity shares bought back from Nirav Naresh Thakkar, 1,057 equity shares bought back from Natwarlal Chunilal Dharia (HUF), 100 equity shares bought back from Niranjan C Modi , 163 equity shares bought back from Navinbhai Shah, 163 equity shares bought back from Dharia Ajay Nutanben, 326 equity shares bought back from Nawal M. Sharma, 260 equity shares bought back from Niyati Sunil Thakkar, 324 equity shares bought back from Ochchavlal Sakarlal Mody, 324 equity shares bought back from Purnima Shahikant Dharia, 13 equity shares bought back from Paresh V Mehta, 163 equity shares bought back from Pinkal Jasvant Parikh, 200 equity shares bought back from Paresh L Mehta, 100 equity shares bought back from Pratik C Desai, 375 equity shares bought back from Parshottamdas Khiaram Popli, 245 equity shares bought back from Piya Pradip Thakkar, 326 equity shares bought back from Pratima Deepak Mody, 158 equity shares bought back from Pratibha N. Thakkar, 163 equity shares bought back from Pratibha M. Thakkar, 240 equity shares bought back from Paresh R Kacheria, 163 equity shares bought back from Bhavna Deepak Parikh, 163 equity shares bought back from Parikh Renuka Vinod, 1,100 equity shares bought back from Pushpa Navinchandra Parikh, 163 equity shares bought back from Prakash K. Shah, 182 equity shares bought back from Purnima Surendra Parikh, 77 equity shares bought back from Patel Dina Girish, 247 equity shares bought back from Rita Paresh Mehta, 150 equity shares bought back from Rakesh P Desai, 326 equity shares bought back from Roopal A Ganatra, 163 equity shares bought back from Ravitej Rasiklal Kapadia , 163 equity shares bought back from Rashmik Rajnikant Mody, 99 equity shares bought back from Rita Minish Kadakia, 130 equity shares bought back from Reena Yusuf, 260 equity shares bought back from Rajendra N. Thakkar, 163 equity shares bought back from Ruchir P Shah, 60 equity shares bought back from Raj Shrikant Kacheria, 739 equity shares bought back from Rekha Naresh Thakkar, 77 equity shares bought back from Rekha Jayendra Desai, 65 equity shares bought back from Rajendra H. Mehta, 600 equity shares bought back from Raksha Bhisham Gupta, 2,000 equity shares bought back from Rakesh Gupta, 863 equity shares bought back from Sheetal Sandeep Parikh , 745 equity shares bought back from Sundeep Navinchandra Parikh , 818 equity shares bought back from Suketu Navinchandra Parikh, 3,525 equity shares bought back from Shantaben Natwarlal Dharia, 65 equity shares bought back from Sonal Ajay Modi, 163 equity shares bought back from Subhadra N. Shah, 33 equity shares bought back from Sharmistha Harshadkumar Gandhi, 65 equity shares bought back from Sukanya Madhusudan Desai, 200 equity shares bought back from Sudha S Mehta, 65 equity shares bought back from Shilpa Digdesh Mody, 4,895 equity shares bought back from Sunil Shantilal Thakkar, 491 equity shares bought back from Saloni S Thakkar, 326 equity shares bought back from Shantilal Dharamshi Thakkar (HUF), 1,799 equity shares bought back from Sharad Dhirajlal Mehta, 42 equity shares bought back from Shilpa Sandeep Sane, 121 equity shares bought back from Sandeep Dattatraya Sane, 33 equity shares bought back from Sejal Manish Gandhi, 65 equity shares bought back from Sudeep Shantilal Mody, 33 equity shares bought back from Shaurin Nitin Parikh, 653 equity shares bought back from Sudhir Kantilal Doshi, 2140 equity shares bought back from Sejal Parikh, 465 equity shares bought back from Sanjay Parshotamdas Popli, 326 equity shares bought back from Sonal A Chande, 4,687 equity shares bought back from Sandhya Nishith Shah, 130 equity shares bought back from Siraj Yusuf, 326 equity shares bought back from Shashi Ramesh Mehta, 65 equity shares bought back from Suresh V. Shah, 2,385 equity shares bought back from Tushar Rasiklal Parikh, 3,103 equity shares bought back from Tushar Natverlal Dharia, 81 equity shares bought back from Urvish R Mody , 163 equity shares bought back from Urvish K Shah, 306 equity shares bought back from Uzma Babu Shaikh, 609 equity shares bought back from Ushma Dipak Amarshi, 2,804 equity shares bought back from Usha Rajnikant Shah, 65 equity shares bought back from Uma Sam, 450 equity shares bought back from Vivid Exports Pvt. Ltd, 300 equity shares bought back from Vidhi N Kadakia, 163 equity shares bought back from Vishwanadham Vitthal, 163 equity shares bought back from Vinit R Mody and 400 equity shares bought back from Veenu Rakesh Gupta

(7) ***On October 1, 2003, 325,800 equity shares were bought back from the following shareholders:***

700 equity shares bought back from Aditi N. Kadakia, 305 equity shares bought back from Aditya Pradip Thakkar, 200 equity shares bought back from Ajay Niranjan Modi, 3,355 equity shares bought back from Ami Tushar Dharia, 400 equity shares bought back from Amit Rajnikant Mody, 300 equity shares bought back from Aniket Ravindra Deshpande, 1,200 equity shares bought back from Anjana Vimal Gandhi, 547 equity shares bought back from Anvi Nishith Shah, 2,123 equity shares bought back from Anvi Nishith Shah, 405 equity shares bought back from Anvi Nishith Shah, 340 equity shares bought back from Anie Jal Mehta, 700 equity shares bought back from Ashish Virendra Gandhi, 547 equity shares bought back from Ashna Nishith Shah, 2,258 equity shares bought back from Ashna Nishith Shah, 1,180 equity shares bought back from Ashna Nishith Shah, 200 equity shares bought back from Bharat Multilal

Shah, 6,000 equity shares bought back from Bhisham Kumar Gupta, 950 equity shares bought back from Bhisham Kumar Gupta , 271 equity shares bought back from Bhisham Kumar Gupta (HUF), 1,229 equity shares bought back from Bhisham Kumar Gupta, 6,900 equity shares bought back from Bhisham Kumar Gupta, 2,340 equity shares bought back from Biren Surendra Parikh, 2,200 equity shares bought back from Chamak Jatin Parikh, 400 equity shares bought back from Chhayaben Ashwin Dharia, 335 equity shares bought back from Chintan V Mody, 115 equity shares bought back from Chirag Jayendra Desai, 1,447 equity shares bought back from Dipak Mangalshi Amarshi, 740 equity shares bought back from Dipak Mangalshi Amarshi, 4,159 equity shares bought back from Dipak Mangalshi Amarshi, 435 equity shares bought back from Deepika Dharia, 435 equity shares bought back from Dharia Pankaj, 6,239 equity shares bought back from Dhaval Nalin Parikh, 505 equity shares bought back from Dina Girish Patel, 47 equity shares bought back from Dina Girish Patel, 3,454 equity shares bought back from Dipak Mangalshi Amarshi, 400 equity shares bought back from Dipika P Shah, 2,695 equity shares bought back from Dipnal Investments Pvt. Ltd., 18,693 equity shares bought back from Dipti Nalin Parikh, 135 equity shares bought back from Ela Niranjan Modi, 25,605 equity shares bought back from Gaurang Natwarlal Parikh, 552 equity shares bought back from Girish Raojibhai Patel, 2,213 equity shares bought back from Hansaben Managalji Amarshi, 676 equity shares bought back from Hansaben Managalji Amarshi, 400 equity shares bought back from Hardik Rasiklal Kapadia, 1,700 equity shares bought back from Heena Asit Dharia, 170 Equity shares bought back from Hema V Mody , 300 equity shares bought back from Hemali Ashish Gandhi, 1,886 equity shares bought back from Hemali Navnitlal Shah, 280 equity shares bought back from Hemlata Pravin Mehta, 415 equity shares bought back from Himanshu Akshay Shah, 700 equity shares bought back from Jagdish Kanitlal Dharia, 3,906 equity shares bought back from Jatin N Parikh Karta, 8,017 equity shares bought back from Jatin Narendra Parikh, 200 equity shares bought back from Jawahar A Shah, 722 equity shares bought back from Jigna J. Parikh, 100 equity shares bought back from Jigna Jay Kantawala, 1,600 equity shares bought back from Jiten Raichand Shah , 135 equity shares bought back from Kalpana Dilip Dharia, 4,500 equity shares bought back from Kalpana Tushar Parikh, 200 equity shares bought back from Kanaiyalal Bhikhalal Kadakia, 355 equity shares bought back from Ketan Madhusudan Desai HUF, 641 equity shares bought back from Ketan S Parikh, 200 equity shares bought back from Kiran Kanayalal Parikh, 776 equity shares bought back from Kokila N Shah, 8,400 equity shares bought back from Kunal Tushar Dharia, 1,600 equity shares bought back from Lina Suketu Parikh, 400 equity shares bought back from Madhuben P Parikh , 200 equity shares bought back from Madhukanta Babulal Mody, 2,257 equity shares bought back from Madhukanta N Parikh , 8,004 equity shares bought back from Mangalji M. Amarshi, 400 equity shares bought back from Manisha N Shah , 8,400 equity shares bought back from Mansi Tushar Dharia, 2,000 equity shares bought back from Milind D. Kacheria, 300 equity shares bought back from Minaxi Daxesh Kadakia, 500 equity shares bought back from Mona Raj Kacheria, 700 equity shares bought back from Mudrika Jitendra Jhaveri, 3,862 equity shares bought back from Navnitlal Kodarlal Shah, 486 equity shares bought back from Narendra Somalal Parikh (HUF), 2,600 equity shares bought back from Natverlal Chunilla Dharia (HUF), 2,257 equity shares bought back from Natverlal Ochhavlal Parikh, 340 equity shares bought back from Navinbhai Shah, 1,717 equity shares bought back from Navinchandra C. Parikh, 4,140 equity shares bought back from Navnitlal Kodarlal Shah, 6,223 equity shares bought back from Nihir Nalin Parikh, 200 equity shares bought back from Nikhil Jayantilal Mody, 465 equity shares bought back from Nilam Nitin Parikh, 400 equity shares bought back from Nimish P Shah, 200 equity shares bought back from Niranjan C Modi , 16,622 equity shares bought back from Nishith Rajnikant Shah, 19,600 equity shares bought back from Nishith Rasiklal Dharia, 465 equity shares bought back from Nitin Manilal Parikh, 400 equity shares bought back from Nutanben Ajay Dharia, 847 equity shares bought back from Ochchavlal Sakarlal Mody, 400 equity shares bought back from Paresh L Mehta, 2,000 equity shares bought back from Paresh R Kacheria, 85 equity shares bought back from Paresh V Mehta, 435 equity shares bought back from Bhavna Deepak Parikh, 440 equity shares bought back from Parikh Renuka Vinod, 121 equity shares bought back from Patel Dina Girish, 121 equity shares bought back from Patel Girish Raojibhai, 400 equity shares bought back from Pinkal Jasvant Parikh, 205 equity shares bought back from Piya Pradip Thakkar, 400 equity shares bought back from Prakash K. Shah, 680 equity shares bought back from Pratibha N. Thakkar, 300 equity shares bought back from Pratik C Desai, 400 equity shares bought back from Pratima D Modi, 400 equity shares bought back from Pratima Deepak Mody, 550 equity shares bought back from Pravin Occhavlal Desai, 2,616 equity shares bought back from Purnima Surendra Parikh, 3,227 equity shares bought back from Pushpa Navinchandra Parikh, 500 equity shares bought back from Raj Shrikant Kacheria, 542 equity shares bought back from Rajendra N. Thakkar, 976 equity shares bought back from Rakesh Gupta, 100 equity shares bought back from Rakesh R. Parikh, 2,318 equity shares bought back from Raksha Bhisham Gupta, 400 equity shares bought back from Rashmik Rajnikant Mody, 100 equity shares bought back from Rasiklal B. Parikh, 400 equity shares bought back from Ravitej Rasiklal Kapadia , 270 equity shares bought back from Reena Yusuf, 121 equity shares bought back from Rekha Jayendra Desai, 300 equity shares bought back from Rita Minish Kadakia, 551 equity shares bought back from Rita Paresh Mehta, 700 equity shares bought back from Roopal A Ganatra, 400 equity shares bought back from Ruchir P Shah, 622 equity shares bought back from Sachin Jatin Parikh, 500 equity shares bought back from Sachiv C Parikh , 1,730 equity shares bought back from Sandeep Dattatraya Sane, 10,063 equity shares bought back from Sandhya Nishith Shah, 4,900 equity shares bought back from Sejal K Parikh, 100 equity shares bought back from Sejal Manish Gandhi, 8,700 equity shares bought back from Shantaben Natverlal Dharia, 4,800 equity shares bought back from Sharad Dhirajlal Mehta, 675 equity shares bought back from Shashi Ramesh Mehta, 465 equity shares bought back from Shaurin Nitin Parikh, 1,840 equity shares bought back from Sheetal Sandeep Parikh , 1,200 equity shares bought back from Sheetal Vimal Gandhi, 135 equity shares bought back from Shilpa Digdesh Mody, 610 equity shares bought back from Shilpa

Sandeep Sane, 500 equity shares bought back from Shradha N Shah, 270 equity shares bought back from Siraj Yusuf, 700 equity shares bought back from Sonal A Chande, 135 equity shares bought back from Sonal Ajay Modi, 335 equity shares bought back from Subhadra N. Shah, 135 equity shares bought back from Sudeep Shantilal Mody, 500 equity shares bought back from Sudha S Mehta, 135 equity shares bought back from Sukanya Madhusudan Desai, 2,033 equity shares bought back from Suketu Navinchandra Parikh, 2,005 equity shares bought back from Sundeep Navinchandra Parikh, 200 equity shares bought back from Surekha Sureshchandra Mody, 1,200 equity shares bought back from Tapan Vimal Gandhi, 2,400 equity shares bought back from Trupti Jiten Shah, 7,250 equity shares bought back from Tushar Natverlal Dharia , 7,400 equity shares bought back from Tushar Rasiklal Parikh, 135 equity shares bought back from Uma Sam, 400 equity shares bought back from Urvish K Shah, 170 equity shares bought back from Urvish R Mody , 7,876 equity shares bought back from Usha Rajnikant Shah, 1,391 equity shares bought back from Ushma Dipak Amarshi, 597 equity shares bought back from Uzma Babu Shaikh, 5,747 equity shares bought back from Veenu Rakesh Gupta, 700 equity shares bought back from Vidhi N Kadakia, 1,000 equity shares bought back from Vimal Jamnadas Gandhi, 335 equity shares bought back from Vinit R Mody and 335 equity shares bought back from Vishwanadham Vithala.

(8) ***On February 2, 2004, 100,732 equity shares were bought back from the following shareholders:***

200 equity shares bought back from Aditi N. Kadakia, 585 equity shares bought back from Anand Parshotam Popli, 35 equity shares bought back from Bharat Multilal Shah, 5,155 equity shares bought back from Bina Parshotamdas Popli, 335 equity shares bought back from Brijmohan Maheshwari, 135 equity shares bought back from Chhayaben Ashwin Dharia, 100 equity shares bought back from Chintan V Mody, 1,900 equity shares bought back from Deepika Dharia, 1,900 equity shares bought back from Pankaj Dharia, 200 equity shares bought back from Dipika P Shah, 50 equity shares bought back from Hema V Mody, 9800 equity shares bought back from Hemali Navnitlal Shah, 88 equity shares bought back from Hemlata Pravin Mehta, 300 equity shares bought back from Jagdish Kanitlal Dharia, 800 equity shares bought back from Kalpana Dilip Dharia, 3,100 equity shares bought back from Ketan Satishchandra Parikh, 3,900 equity shares bought back from Kokila Navnitlal Shah, 106 equity shares bought back from Madhuben P Parikh, 200 equity shares bought back from Manisha N Shah , 1,760 equity shares bought back from Milind D. Kacheria, 100 equity shares bought back from Minaxi Daxesh Kadakia, 440 equity shares bought back from Mona Raj Kacheria, 220 equity shares bought back from Mukul Gupta, 29,385 equity shares bought back from Navnitlal Kodarlal Shah, 300 equity shares bought back from Nikhil Jayantilal Mody, 200 equity shares bought back from Nimish P Shah, 135 equity shares bought back from Dharia Ajay Nutanben, 760 equity shares bought back from Paresh R Kacheria, 900 equity shares bought back from Bhavna Deepak Parikh, 900 equity shares bought back from Parikh Renuka Vinod, 1,275 equity shares bought back from Parshottamdas Khiaram Popli, 200 equity shares bought back from Pinkal Jasvant Parikh, 200 equity shares bought back from Prakash K. Shah, 3,875 equity shares bought back from Pratima Deepak Mody, 440 equity shares bought back from Raj Shrikant Kacheria, 200 equity shares bought back from Rakesh R. Parikh, 600 equity shares bought back from Rasiklal B. Parikh, 100 equity shares bought back from Rita Minish Kadakia, 200 equity shares bought back from Rita Paresh Mehta, 276 equity shares bought back from Roopal A Ganatra, 200 equity shares bought back from Ruchir P Shah, 485 equity shares bought back from Sanjay Parshotamdas Popli, 25,761 equity shares bought back from Sejal K Parikh, 65 equity shares bought back from Sejal Manish Gandhi, 465 equity shares bought back from Sharmistha Harshadkumar Gandhi, 276 equity shares bought back from Sonal A Chande, 800 equity shares bought back from Sudeep Shantilal Mody, 800 equity shares bought back from Surekha Sureshchandra Mody, 40 equity shares bought back from Uma Sam, 135 equity shares bought back from Urvish K Shah, 50 equity shares bought back from Urvish R Mody , 200 equity shares bought back from Vidhi N Kadakia, 100 equity shares bought back from Vinit R Mody.

(9) ***Pursuant to a rights issue in the ratio of 1 equity share for every 4 equity shares held as on July 12, 2007, the following allotments were made:***

8,700 equity shares allotted to Ami Tushar Dharia (held jointly with Tushar Natvarlal Dharia), 3,000 equity shares allotted to Anvi Nishith Shah (held jointly with Sandhya Nishith Shah), 3,200 equity shares allotted to Ashna Nishith Shah (held jointly with Sandhya Nishith Shah), 4,800 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 700 equity shares allotted to Anvi Nishith Shah (held jointly with Sandhya Nishith Shah), 700 equity shares allotted to Ashna Nishith Shah (held jointly with Sandhya Nishith Shah), 1600 equity shares allotted to Ashna Nishith Shah (held jointly with Sandhya Nishith Shah), 600 equity shares allotted to Anvi Nishith Shah (held jointly with Sandhya Nishith Shah), 800 equity shares allotted to Aditya Pradip Thakkar (held jointly with Nimish M. Kadakia), 600 equity shares allotted to Arvind Chimanlal Parikh (held jointly with Bhavik Arvind Parikh), 500 equity shares allotted to Arine Jal Mehta (held jointly with Jal Kaikhushroo J. Mehta), 400 equity shares allotted to Aniket Ravindra Deshpande (held jointly with Ravindra K. Deshpande), 100 equity shares allotted to Amisha Alpesh Parikh (held jointly with Alpesh S. Parikh), 5,000 equity shares allotted to Alka H Doshi (held jointly with Hirendra N. Doshi), 250 equity shares allotted to Anil H Patel (held jointly with Rajan A Patel), 950 equity shares allotted to Aditi N. Kadakia (held jointly with Nimish N. Kadakia), 500 equity shares allotted to Amit Rajnikant Mody (held jointly with Rashmik R. Mody), 900 equity shares allotted to Ashish Virendra Gandhi (held jointly with Hemali Ashish Gandhi), 9,750 equity shares allotted to Bhisham Kumar Gupta (held jointly with Raksha Bhisham Gupta), 4,500 equity shares *allotted to Bhisham Kumar Gupta (held jointly with Rakesh Gupta), 1,400 equity shares allotted to Bhisham Kumar Gupta (held jointly with Veena Gupta), 400 equity shares allotted to Bhisham Kumar Gupta (HUF) (held jointly with Raksha Bhisham Gupta), 2,800 equity shares allotted to Bhisham Kumar Gupta (held jointly with Rakesh Gupta), 4,900 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin N. Parikh), 700 equity shares allotted to Chandresh Jayantilal Vanjara (held jointly with Smita Jayantilal Vanjara), 500 equity shares allotted to Chintan V Mody (held jointly with Vinit R. Mody), 100 equity shares allotted to Chhayaben Ashwin Dharia (held jointly with Ashwin K. Dharia), 500 equity shares allotted to Chandresh Jayantilal Vanjara (held jointly with Harnish J. Vanjara),950 equity shares allotted to Dipak Mangalshi Amarshi (held jointly with Ushma D. Amarshi), 26,800 equity shares allotted to Dipti Nalin Parikh (held jointly with Nalin N. Parikh), 4,800 equity shares allotted to Dipak M. Amarshi (held jointly with Hansa M. Amarshi), 2,000 equity shares allotted to Deepak Amarshi (held jointly with Ushma D. Amarshi), 750 equity shares allotted to Dina Girish Patel (held jointly with Girish R. Patel), 250 equity shares allotted to Kirit Ramanlal Dharia (held jointly with Pratima K. Dharia), 250 equity shares allotted to Sanjiv Kirit Dharia (held jointly with Parul Sanjiv Dharia), 9,300 equity shares allotted to Dhaval Nalin Parikh (held jointly with Nalin N. Parikh), 100 equity shares allotted to Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh), 800 equity shares allotted to Dhaval Nalin Parikh (held jointly with Dipti Nalin Parikh), 200 equity shares allotted to Dipika P Shah (held jointly with Prakash K. Shah), 250 equity shares allotted to Dipen D Dharia (held jointly with Urvashi D Dharia), 3,800 equity shares allotted to Dipnal Investments Pvt. Ltd., 200 equity shares allotted to Ela Niranjan Modi(held jointly with Niranjan C. Modi), 750 equity shares allotted to Girish Raojibhai Patel (held jointly with Dinaji Patel), 750 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natvarlal Parikh and Sushilaben Parikh), 2,550 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Tanvi Gaurang Parikh), 500 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Parikh and Sushilaben Parekh), 1,000 equity shares allotted to Hansaben Managalshi Amarshi (held jointly with Nishith Rajnikant Shah), 3,150 equity shares allotted to Hansaben Mangalshi Amarshi (held jointly with Mangalji M. Amarshi), 200 equity shares allotted to Hemlata Pravin Mehta (held jointly with Pravin D. Mehta), 200 equity shares allotted to Hema V Mody (held jointly with Vinit R. Mody), 2,400 equity shares allotted to Heena Asit Dharia (held jointly with Asit Rasiklal Dharia), 200 equity shares allotted to Hemlata P. Mehta (held jointly with Pravin D. Mehta), 500 equity shares allotted to Hardik Rasiklal Kapadia (held jointly with Ravitej R. Kapadia), 500 equity shares allotted to Hemali Ashish Gandhi (held jointly with Ashish V. Gandhi), 11,300 equity shares allotted to Jatin Narendra Parikh (held jointly with Chamak Jatin Parikh), 5,450 equity shares allotted to Jatin N Parikh Karta (held jointly with Chamak Jatin Parikh), 1000 equity shares allotted to Jigna Jatin Parikh (held jointly with Chamak Jatin Parikh), 1,600 equity shares allotted to Sachin Jatin Parikh (held jointly with Chamak Jatin Parikh), 900 equity shares allotted to Jatin N Desai (held jointly with Nisha J. Desai), 1,600 equity shares allotted to Jiten Raichand Shah (held jointly with Trupti Jiten Shah), 500 equity shares allotted to Jignasha Jay Kantawala (held jointly with Jay S. Kantawala), 500 equity shares allotted to Jiten R. Shah (held jointly with Trupati J. Shah), 100 equity shares allotted to Jita Paresh Dharia (held jointly with Paresh P. Shah), 900 equity shares allotted to Jagdish Kanitlal Dharia (held jointly with Gitaben J. Dharia), 11,900 equity shares allotted to Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 150 equity shares allotted to Kiran Kanayalal Parikh (held jointly with Punita K. Parikh), 200 equity shares allotted to Kanaiyalal Bhikhalal Kadakia (held jointly with Hansaben K. Kadakia), 100 equity shares allotted to Ketan Satishchandra Parikh (held jointly with Sejal K. Parikh), 95 equity shares allotted to Kosha Natverlal Parikh (held jointly with Gaurang Natwarlal Parikh), 500 equity shares allotted to Ketan Madhusudan Desai HUF (held jointly with Meera K. Desai), 6,500 equity shares allotted to Kalpana Tushar Parikh (held jointly with Tushar R. Parikh), 2,900 equity shares allotted to Lina Suketu Parikh (held jointly with Suketu Navinchandra Parikh), 8,400 equity shares allotted to Mangalji M. Amarshi (held jointly with Hansa M. Amarshi), 11,900 equity shares allotted to Mansi Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 3200 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Natverlal O. Parikh), 450 equity shares allotted to Madhuben P Parikh(held jointly with Sachin P. Parikh), 900 equity shares allotted to Madurika Jitendra Jhaveri (held jointly with Jitendra M. Jhaveri), 3,650 equity shares allotted to Mangalji M. Amarshi (held jointly with Nishith Rajnikant Shah), 3,150 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Dipti Nalin Parikh), 250 equity shares allotted to Malini Rajnikant Trivedi (held jointly with Rajnikant Trivedi), 700 equity shares allotted to Mangalji M. Amarshi (held jointly with Deepak M. Amarshi), 200 equity shares allotted to Manisha N Shah (held jointly with Nimish P. Shah), 19,350 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 9,850 equity shares allotted to Nihir Nalin Parikh (held jointly with Dipti Nalin Parikh), 1,250 equity shares allotted to Nimish Manharlal Kadakia (held jointly with Smruti N. Kadakia), 200 equity shares allotted to Nirav Naresh Thakkar (held jointly with Kavita Neerav Thakkar), 300 equity shares allotted to Niranjan C Modi (held jointly with Ela N. Modi), 500 equity shares allotted to Navinbhai Shah (held jointly with Subhadra N. Shah), 100 equity shares allotted to Nikhil Jayantilal Mody (held jointly with Alpana N. Mody), 400 equity shares allotted to Nimish P Shah (held jointly with Manisha N. Shah), 100 equity shares allotted to Dharia Ajay Nutanben (held jointly with Ajay K. Dharia), 400 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 1,800 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 900 equity shares allotted to Ochchavlal Sakarlal Mody (held jointly with Savitri O. Mody), 800 equity shares allotted to Pravin Occhavlal Desai (held jointly with Nikhil P. Desai), 800 equity shares allotted to Piya Pradip Thakkar (held jointly with Seema P. Thakkar), 750 equity shares allotted to Piyush Kantilal Gandhi(HUF), 250 equity shares allotted to Purvi Pratap Trivedi (held jointly with Pratap Trivedi), 250 equity shares allotted to Bhavna Deepak Parikh (held jointly with*

Parikh Deepak N.), 250 equity shares allotted to Parikh Renuka Vinod (held jointly with Parikh Vinod N.), 50 equity shares allotted to Paresh R Kacheria (held jointly with Sanjay R. Kacheria), 250 equity shares allotted to Patel Girish Raojibhai (held jointly with Patel Dina Girish), 250 equity shares allotted to Patel Dina Girish (held jointly with Patel Girish Raojibhai), 400 equity shares allotted to Prakash K. Shah (held jointly with Dipika P. Shah), 500 equity shares allotted to Purnima Surendra Parikh (held jointly with Surendra C. Parikh), 250 equity shares allotted to Pratik C Desai (held jointly with Tejal P. Desai), 2000 equity shares allotted to Raksha Bhisham Gupta (held jointly with Bhisham V. Gupta), 1500 equity shares allotted to Rakesh Gupta (held jointly with Veenu Rakesh Gupta), 500 equity shares allotted to Ravitej Rasiklal Kapadia (held jointly with Hardik R. Kapadia), 500 equity shares allotted to Rashmik Rajnikant Mody (held jointly with Amit R. Mody), 300 equity shares allotted to Ruchir P Shah (held jointly with Prakash K. Shah), 900 equity shares allotted to Roopal A Ganatra (held jointly with Sonal A. Chande), 600 equity shares allotted to Rakesh P Desai, 250 equity shares allotted to Ranjan Anil Patel (held jointly with Anil H. Patel), 1,250 equity shares allotted to Raksha Gupta (held jointly with Bhisham V. Gupta), 14,400 equity shares allotted to Sandhya Nishith Shah (held jointly with Nishith Rajnikant Shah), 4,900 equity shares allotted to Sharad Dhirajlal Mehta (held jointly with Manorama S. Mehta), 750 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 800 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 750 equity shares allotted to Sachiv C Parikh (held jointly with Shruti Sachin Parikh), 400 equity shares allotted to Suketu Navinchandra Parikh, 250 equity shares allotted to Sundeep Navinchandra Parikh, 600 equity shares allotted to Shradha N Shah, 2,950 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sundeep Navinchandra Parikh), 900 equity shares allotted to Sonal A Chande (held jointly with Roopal A. Ganatra), 200 equity shares allotted to Sonal Ajay Modi (held jointly with Ajay N. Modi), 100 equity shares allotted to Sejal Manish Gandhi (held jointly with Manish H. Gandhi), 200 equity shares allotted to Sukanya Madhusudan Desai (held jointly with Madhusudan S. Desai), 2050 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 750 equity shares allotted to Sudha S Mehta (held jointly with Shruti Sachin Parikh and Sachiv C. Parikh), 500 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sandeep N. Parikh), 2,150 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 25,150 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 3,100 equity shares allotted to Trupti Jiten Shah (held jointly with Jiten R. Shah), 95 equity shares allotted to Tanvi Gaurang Parikh (held jointly with Gaurang Natwarlal Parikh), 10,150 equity shares allotted to Tushar Rasiklal Parikh (held jointly with Kalpana T. Parikh), 1,800 equity shares allotted to Ushma Dipak Amarshi (held jointly with Deepak M. Amarshi), 4,450 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah), 6,550 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah), 200 equity shares allotted to Urvish R Mody (held jointly with Shilpa U. Mody), 450 equity shares allotted to Urvish K Shah (held jointly with Sonal U. Shah), 200 equity shares allotted to Uma Sam (held jointly with Julie Bagwan), 500 equity shares allotted to Vinit R Mody (held jointly with Hema V Mody), 4,050 equity shares allotted to Veenu Rakesh Gupta (held jointly with Rakesh Gupta), 500 equity shares allotted to Vishwanadham Vitthal, 200 equity shares allotted to Vasant Shantilal Parikh (held jointly with Kokila V. Parikh), 950 equity shares allotted to Vidhi N Kadakia (held jointly with Nimish N. Kadakia), 300 equity shares allotted to Ajay Niranjan Modi (held jointly with Sonal A. Modi),5,850 equity shares allotted to Dipak Mangalshi Amarshi (held jointly with Nishith Rajnikant Shah), 5,000 equity shares allotted to Hirendra N Doshi (held jointly with Alka H. Doshi), 4000 equity shares allotted to Anju Agarwal (held jointly with Rajiv Agarwal), 200 equity shares allotted to Suresh Multilal Mody (held jointly with Surekha S. Mody), 200 equity shares allotted to Jatin Chandrakant Shah (held jointly with Neeta C. Shah), 300 equity shares allotted to Nirav Jayendra Desai (held jointly with Jigisha N. Desai), 50 equity shares allotted to Dhaval N. Shah (held jointly with Nitin R. Shah), 33,900 equity shares allotted to Gaurang Natwarlal Parikh (HUF) (held jointly with Natverlal Parikh and Tanvi Gaurang Parikh), 2,500 equity shares allotted to Jatin N. Parikh Karta (held jointly with Chamak Jatin Parikh), 100 equity shares allotted to Jigisha Nirav Desai (held jointly with Nirav J. Desai), 26,200 equity shares allotted to Riddhi Mihir Kapadia (held jointly with Nishith Rasiklal Dharia), 2,000 equity shares allotted to Sonal Nishith Dharia (held jointly with Nishith R. Dharia), 200 equity shares allotted to Nitin Rajnikanth Shah (held jointly with Nita N. Shah), 300 equity shares allotted to Jigisha J. Kantawala (held jointly with Jay S. Kantawala), 1,800 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin N. Parikh), 1,950 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 1,700 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 2,500 equity shares allotted to Navinchandra C. Parikh (HUF), 300 equity shares allotted to Sachin Jatin Parikh (held jointly with Chamak Jatin Parikh), 250 equity shares allotted to Neerav Jayendra Desai (held jointly with Jigisha N. Desai), 2,150 equity shares allotted to Manorama S Mehta (held jointly with Sharad D. Mehta), 200 equity shares allotted to Bela Sanjay Kacheria (held jointly with Sanay R. Kacheria), 100 equity shares allotted to Rakesh Natwarlal Dharia (held jointly with Chetna R. Dharia), 500 equity shares allotted to Navinbhai Shah, 250 equity shares allotted to Heta Tushar Parikh (held jointly with Tushar R. Parikh), 150 equity shares allotted to Yamini Dilip Dalal (held jointly with Gopika A. Gandhi) and 4,000 equity shares allotted to Deep Atmaram Goel (held jointly with Daisy Deep Goel.)

(10) ***Pursuant to a rights issue in the ratio of 1 equity share for every 4 equity shares held as on December 10, 2009, the following allotments were made:***

10,908 equity shares allotted to Ami Tushar Dharia (held jointly with Tushar Natverlal Dharia), 3,780 equity shares allotted to Anvi Nishith Shah (held jointly with Nishith Rajnikant Shah), 4,030 equity shares allotted to Ashna Nishith Shah (held jointly with Nishith Rajnikant Shah), 6,030 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 880 equity shares allotted to Anvi Nishith Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah), 880 equity shares allotted to Ashna Nishith Shah (held jointly with Sandhya Nishith Shah and Nishith Rajnikant Shah), 1,980 equity shares allotted to Ashna Nishith Shah (held jointly with Sandhya Nishith Shah), 750 equity shares allotted to Anvi Nishith Shah (held jointly with Sandhya Nishith Shah),1,000 equity shares allotted to Aditya Pradip Thakkar (held jointly with Seema Pradip Thakkar), 775 equity shares allotted to Arvind Chimanlal Parikh (held jointly with Bhavik Arvind Parikh), 625 equity shares allotted to Arine Jal Mehta (held jointly with Jal Kaikhushroo J. Mehta), 525 equity shares allotted to Aniket Ravindra Deshpande (held jointly with Ravindra K. Deshpande), 155 equity shares allotted to Amisha Alpesh Parikh (held jointly with Alpesh Surendra Parikh), 5,063 equity shares allotted to Anju Agarwal (held jointly with Rajiv Agarwal), 312 equity shares allotted to Anil H Patel (held jointly with Ranjan A. Patel), 375 equity shares allotted to Ajay Niranjan Modi (held jointly with Sonal Ajay Modi), 1,187 equity shares allotted to Aditi N. Kadakia (held jointly with Nimish M. Kadakia), 609 equity shares allotted to Amit Rajnikant Mody (held jointly with Rashmik Rajnikant Mody), 1,134 equity shares allotted to Ashish Virendra Gandhi (held jointly with Hemali Ashish Gandhi), 12,187 equity shares allotted to Bhisham Kumar Gupta (held jointly with Raksha Bhisham Gupta), 9562 equity shares allotted to Bhisham Kumar Gupta (held jointly with Rakesh Gupta), 1,650 equity shares allotted to Bhisham Kumar Gupta (held jointly with Veenu Rakesh Gupta), 900 equity shares allotted to Bela Sanjay Kacheria (held jointly with Sanjay R. Kacheria), 321 equity shares allotted to Bijal Anish Gandhi (held jointly with Anish Gandhi), 300 equity shares allotted to Bharati Bharat Shah (held jointly with Bharat M Shah), 7,210 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin Narendra Parikh), 876 equity shares allotted to Chandresh J Vanjara (held jointly with Smita Jayantilal Vanjara) , 600 equity shares allotted to Chintan V Mody (held jointly with Vinit R. Mody), 239 equity shares allotted to Chandrakant G Shah (held jointly with Jatin C. Shah), 150 equity shares allotted to Chhayaben Ashwin Dharia (held jointly with Ashwin Kantilal Dharia), 593 equity shares allotted to Chandresh Jayantilal Vanjara (held jointly with Harnish J. Vanjara),1,187 equity shares allotted to Dipak Mangalshi Amarshi (held jointly with Ushma D. Amarshi), 15,725 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh and Nihir Nalin Parikh), 2,492 equity shares allotted to Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh and Dhaval Nalin Parikh), 6,025 equity shares allotted to Dipak M. Amarshi (held jointly with Hansa Mangalji Amarshi), 2,475 equity shares allotted to Deepak Amarshi (held jointly with Ushma Amarshi), 942 equity shares allotted to Dina Girish Patel (held jointly with Girish Raojibhai Patel), 317 equity shares allotted to Kirit Ramanlal Dharia (held jointly with Pratima Kirit Dharia), 313 equity shares allotted to Sanjiv Kirit Dharia (held jointly with Parul Sanjiv Dharia), 11,631 equity shares allotted to Dhaval Nalin Parikh (held jointly with Dipti Nalin Parikh and Nihir Nalin Parikh), 110 equity shares allotted to Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh), 880 equity shares allotted to Dhaval Nalin Parikh (held jointly with Dipti Nalin Parikh), 12 equity shares allotted to Dhaval N. Shah (held jointly with Nitin R. Shah), 5,025 equity shares allotted to Deep Atmaram Goel (held jointly with Daisy Deep Goel), 4,700 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh), 10,575 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh and Nihir Nalin Parikh), 7,312 equity shares allotted to Dipak Mangalshi Amarshi, 240 equity shares allotted to Dipika P Shah (held jointly with Prakash K. Shah), 312 equity shares allotted to Dipen D Dharia (held jointly with Urvashi D. Dharia), 4,775 equity shares allotted to Dipnal Investments Pvt. Ltd., 25 equity shares allotted to Ekta Shah (held jointly with Nitin Shah), 250 equity shares allotted to Ela Niranjan Modi (held jointly with Niranjan C. Modi), 937 equity shares allotted to Girish Raojibhai Patel (held jointly with Dina Girish Patel), 937 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Parikh and Sushilaben Parikh) 3,086 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Tanvi Gaurang Parikh), 8,475 equity shares allotted to Gaurang Natwarlal Parikh (HUF) (held jointly with Natwarlal Parikh and Tanvi Gaurang Parikh), 62 equity shares allotted to Govind C. Kadakia (held jointly with Indira G. Kadakia), 610 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Chandulal Parikh and Sushilaben Natwarlal Parik), 33,837 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Chandulal Parikh and Tanvi Gaurang Parikh), 1,250 equity shares allotted to Hansaben Managalji Amarshi (held jointly with Nishith Rajnikant Shah), 3,937 equity shares allotted to Hansaben Mangalji Amarshi (held jointly with Mangalji M. Amarshi), 287 equity shares allotted to Hema V Mody (held jointly with Vinit R. Mody), 2,979 equity shares allotted to Heena Asit Dharia (held jointly with Asit Rasiklal Dharia), 7,150 equity shares allotted to Heta Tushar Parikh (held jointly with Tushar R. Parikh), 609 equity shares allotted to Hardik Rasiklal Kapadia (held jointly with Ravitej Rasiklal Kapadia), 4,884 equity shares allotted to Hemali Ashish Gandhi (held jointly with Ashish Virendra Gandhi), 14,638 equity shares allotted to Jatin Narendra Parikh (held jointly with Chamak Jatin Parikh), 7,440 equity shares allotted to Jatin N Parikh Karta (held jointly with N S Parikh HUF and Chamak Jatin Parikh), 1,255 equity shares allotted to Jigna Jatin Parikh (held jointly with Chamak Jatin Parikh), 3,650 equity shares allotted to Sachin Jatin Parikh (held jointly with Chamak Jatin Parikh), 1,162 equity shares allotted to Jatin N Desai (held jointly with Nisha J Desai), 2,975 equity shares allotted to Jiten Raichand Shah (held jointly with Trupti Jiten Shah), 2,400 equity shares allotted to Jignasha Jay Kantawalla (held jointly with Jay Shailesh Kantawalla), 430 equity shares allotted to Jayendra C Desai (HUF), 50 equity shares allotted to Jatin Chandrakant Shah (held jointly with Neeta C. Shah), 30 equity shares allotted to Jigisha Nirav Desai (held jointly with Nirav J. Desai), 275 equity shares allotted to Jayendra C Desai (held jointly with Chirag Jayendra Desai), 200 equity shares allotted to Jayesh Rajnikant Shah (held jointly with Nishita Jayesh

Shah), 650 equity shares allotted to Jiten R. Shah (held jointly with Trupti Jiten Shah), 150 equity shares allotted to Jita Paresh Dharia (held jointly with Paresh P. Dharia), 1,150 equity shares allotted to Jagdish Kantilal Dharia (held jointly with Geetaben Jagdish Dharia), 14,875 equity shares allotted to Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 250 equity shares allotted to Kanaiyalal Bhikhalal Kadakia (held jointly with Hansaben Kanaiyalal Kadaki), 2,900 equity shares allotted to Ketan Satishchandra Parikh (held jointly with Sejal K Parikh), 110 equity shares allotted to Kosha Natverlal Pahikh (held jointly with Gaurang Natverlal Parikh), 478 equity shares allotted to Ketan Satishchandra Parikh - HUF, 175 equity shares allotted to Kirit Manilal Dharia (held jointly with Veena Kirit Dharia), 250 equity shares allotted to Ketan J Parikh (held jointly with Mitsu Ketan Kadakia), 620 equity shares allotted to Ketan Madhusudan Desai HUF (held jointly with Meera Ketan Desai), 5,650 equity shares allotted to Kalpana Tushar Parikh (held jointly with Tushar R Parikh), 3,630 equity shares allotted to Lina Suketu Parikh (held jointly with Suketu Navinchandra Parikh), 10,500 equity shares allotted to Mangalji M. Amarshi (held jointly with Hansa M. Amarshi), 14,875 equity shares allotted to Mansi Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 1,105 equity shares allotted to Mudrika Jitendra Jhaveri (held jointly with Jitendra Motichand Jhaveri), 4,600 equity shares allotted to Mangalji M. Amarshi (held jointly with Nishith Rajnikant Shah), 317 equity shares allotted to Malini Rajnikant Trivedi (held jointly with Rajnikant D. Trivedi), 875 equity shares allotted to Mangalji M. Amarshi (held jointly with Deepak M. Amarshi), 537 equity shares allotted to Manorama S Mehta (held jointly with Sharad D. Mehta), 3,962 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Dhaval Nalin Parikh and Dipti Nalin Parikh), 3975 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Nihir Nalin Parikh and Dipti Nalin Parikh), 850 equity shares allotted to Mira Ravitej Kapadia (held jointly with Ravitej Rasiklal Kapadia), 238 equity shares allotted to Manisha N Shah (held jointly with Nimish P. Shah), 20,169 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 1,980 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 24,000 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 2,949 equity shares allotted to Nihir Nalin Parikh (held jointly with Dipti Nalin Parikh), 650 equity shares allotted to Narendra Somalal Parikh (HUF) (held jointly with Chamak Jatin Parikh and Jatin N Parikh), 9,373 equity shares allotted to Nihir Nalin Parikh (held jointly with Dipti Nalin Parikh), 1,562 equity shares allotted to Nimish Manharlal Kadakia (held jointly with Smruti Nimish Kadakia), 284 equity shares allotted to Nirav Naresh Thakkar (held jointly with Kavita Nirav Thakkar), 142 equity shares allotted to Nirav Jayendra Desai (held jointly with Jigisha N. Desai), 50 equity shares allotted to Nitin Rajnikanth Shah (held jointly with Nita N. Shah), 250 equity shares allotted to Navinchandra C. Parikh - HUF, 500 equity shares allotted to Navinbhai Shah (held jointly with Titiksha A. Modi), 8,341 equity shares allotted to Namita Tushar Parikh (held jointly with Tushar R Parikh), 375 equity shares allotted to Niranjan C Modi (held jointly with Ela N. Modi), 750 equity shares allotted to Navinbhai Shah (held jointly with Subadra N. Shah),134 equity shares allotted to Nikhil Jayantilal Mody (held jointly with Alpa Nikhil Mody), 535 equity shares allotted to Nimish P Shah (held jointly with Manisha N. Shah), 225 equity shares allotted to Nita N Shah (held jointly with Nitin R. Shah), 498 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 3,767 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah),1,000 equity shares allotted to Pravin Occhavlal Desai (held jointly with Nikhil Pravin Desai), 1,025 equity shares allotted to Piya Pradip Thakkar (held jointly with Seema Pradip Thakkar), 1,418 equity shares allotted to Pushpa Navinchandra Parikh (held jointly with Suketu Navinchandra Parikh), 550 equity shares allotted to Pushpa Navinchandra Parikh (held jointly with Sundeep Navinchandra Parikh), 938 equity shares allotted to Piyush Kantilal Gandhi(HUF), 318 equity shares allotted to Purvi Pratap Trivedi (held jointly with Pratap D. Trivedi), 900 equity shares allotted to Pushpa Navinchadra Parikh (held jointly with Sheetal Sundeep Parikh and Sundeep Navinchandra Parik), 830 equity shares allotted to Pushpa Navinchandra Parikh (held jointly with Lina Suketu Parikh and Suketu Navinchandra Parikh), 1,280 equity shares allotted to Pushpa Navinchadra Parikh (held jointly with Sundeep Navinchandra Parikh and Sheetal Sandeep Parikh), 1,250 equity shares allotted to Pushpa Navinchadra Parikh (held jointly with Suketu S. Parikh and Lina Suketu Parikh), 6,000 equity shares allotted to Pankil Nishith Dharia (held jointly with Nishith Rasiklal Dharia), 800 equity shares allotted to Paresh Rasiklal Parikh (held jointly with Prerana Paresh Parikh), 1,000 equity shares allotted to Parul Sanjiv Dharia (held jointly with Sanjiv K Dharia), 312 equity shares allotted to Bhavna Deepak Parikh (held jointly with Parikh Deepak Navnitlal), 312 equity shares allotted to Parikh Renuka Vinod (held jointly with Parikh Vinod Navnitlal), 63 equity shares allotted to Paresh R Kacheria (held jointly with Sanjay R. Kacheria), 318 equity shares allotted to Patel Girish Raojibhai (held jointly with Patel Dina Girish), 318 equity shares allotted to Patel Dina Girish (held jointly with Patel Girish Raojibhai), 534 equity shares allotted to Prakash K. Shah (held jointly with Dipika P. Shah), 630 equity shares allotted to Purnima Surendra Parikh (held jointly with Surendra Chandulal Parikh), 338 equity shares allotted to Pratik C Desai (held jointly with Tejal P Desai), 1,875 equity shares allotted to Rakesh Gupta (held jointly with Veenu Rakesh Gupta), 6,550 equity shares allotted to Riddhi Mihir Kapadia (held jointly with Nishith Rasiklal Dharia), 30 equity shares allotted to Rakesh Natwarlal Dharia (held jointly with Chetna R Dharia), 609 equity shares allotted to Ravitej Rasiklal Kapadia (held jointly with Hardik Rasiklal Kapadia), 610 equity shares allotted to Rashmik Rajnikant Mody (held jointly with Amit Rajnikant Mody), 384 equity shares allotted to Ruchir P Shah (held jointly with Prakash K. Shah), 500 equity shares allotted to Roopal A Ganatra (held jointly with Sonal A Chande), 738 equity shares allotted to Rakesh P Desai, 250 equity shares allotted to Rekha Jayendra Desai (held jointly with Jayendra C. Desai), 313 equity shares allotted to Ranjan Anil Patel (held jointly with Anil H Patel), 18,030 equity shares allotted to Sandhya Nishith Shah (held jointly with Nishith Rajnikant Shah), 2,175 equity shares allotted to Sharad Dhirajlal Mehta (held jointly with Manorama Dhirajlal Mehta), 4,611 equity shares allotted *to Sharad D. Mehta (held jointly with Manorama S. Mehta), 1,243 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 1,430 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 938 equity shares allotted to Sachiv C Parikh (held jointly with Shruti Sachin Parikh), 200 equity shares allotted to Sanjay Rashiklal Kacheria (held jointly with Paresh Rashiklal Kacheria), 313 equity shares allotted to Sundeep Navinchandra Parikh - HUF, 613 equity shares allotted to Sonal Nishith Dharia (held jointly with Nishith Rasiklal Dharia), 50 equity shares allotted to Suresh Mojilal Mody (held jointly with Surekha S. Mody), 1,182 equity shares allotted to Savitri Ochhavlal Mody (held jointly with Nina Rupin Kadakia), 500 equity shares allotted to Sonal Janak Engineer (held jointly with Janak M. Engineer), 300 equity shares allotted to Sachit Shrikant Parikh (held jointly with Pinky Sachit Parikh), 1,500 equity shares allotted to Sejal K Parikh (held jointly with Ketan S. Parikh), 775 equity shares allotted to Shradha N Shah, 3,693 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sundeep Navinchandra Parikh), 400 equity shares allotted to Sonal A Chande (held jointly with Roopal A. Ganatra), 250 equity shares allotted to Sonal Ajay Modi (held jointly with Ajay Niranjan Modi), 100 equity shares allotted to Sejal Manish Gandhi (held jointly with Manish Harshad Gandhi), 250 equity shares allotted to Sukanya Madhusudan Desai (held jointly with Madhusudan Chimanlal Desai), 2,313 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 950 equity shares allotted to Sudha S Mehta (held jointly with Shruti Sachin Parikh and Sachiv C. Parikh), 630 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sandeep N. Parikh), 2,463 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 5,961 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 9,850 equity shares allotted to Tushar Natwarlal Dharia (HUF) (held jointly with Ami Tushar Dharia), 2,963 equity shares allotted to Trupti Jiten Shah (held jointly with Jiten Raichand Shah), 15,475 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 49 equity shares allotted to Tanvi Gaurang Parikh (held jointly with Gaurang Natwarlal Parikh), 1,963 equity shares allotted to Trupti Jiten Shah (held jointly with Jiten R Shah), 2,275 equity shares allotted to Ushma Dipak Amarshi (held jointly with Dipak M. Amarshi), 5,588 equity shares allotted to Usha R Shah (held jointly with Nishith Rajnikant Shah), 8,213 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah),288 equity shares allotted to Urvish R Mody (held jointly with Shilpa U Mody), 563 equity shares allotted to Urvish K Shah (held jointly with Sonal U Shah), 240 equity shares allotted to Uma Sam (held jointly with Julie Bagwan), 600 equity shares allotted to Vinit R Mody (held jointly with Hema V Mody), 9,062 equity shares allotted to Veenu Rakesh Gupta (held jointly with Rakesh Gupta), 650 equity shares allotted to Vishwanadham Vithala, 284 equity shares allotted to Vasant Shantilal Parikh (held jointly with Kokila Vasant Parikh), 1,188 equity shares allotted to Vidhi N Kadakia (held jointly with Nimish M Kadakia) and 38 equity shares allotted to Yamini Dilip Dalal (held jointly with Gopika Anup Gandhi).*

(11) ***Pursuant to a rights issue in the ratio of 2 equity shares for every 15 equity shares held as on February 21, 2012, the following allotments were made:***

7,280 equity shares allotted to Ami Tushar Dharia (held jointly with Tushar Natverlal Dharia), 2,517 equity shares allotted to Anvi Nishith Shah (held jointly with Nishith Rajnikant Shah), 2,684 equity shares allotted to Ashna Nishith Shah (held jointly with Nishith Rajnikant Shah), 4,020 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 584 equity shares allotted to Anvi Nishith Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah), 584 equity shares allotted to Ashna Nishith Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah), 1,317 equity shares allotted to Ashna Nishith Shah (held jointly with Sandhya Nishith Shah), 500 equity shares allotted to Anvi Nishith Shah (held jointly with Sandhya Nishith Shah),673 equity shares allotted to Aditya Pradip Thakkar (held jointly with Seema Pradip Thakkar), 522 equity shares allotted to Arvind Chimanlal Parikh (held jointly with Bhavik Arvind Parikh), 355 equity shares allotted to Aniket Ravindra Deshpande (held jointly with Ravindra Keshawrao Deshpande), 100 equity shares allotted to Amisha Alpesh Parikh (held jointly with Alpesh Surendra Parikh), 1208 equity shares allotted to Anju Agarwal (held jointly with Rajiv Agarwal), 100 equity shares allotted to Arvind D Panchal (held jointly with Kavita Arvind Panchal), 3330 equity shares allotted to Alka H Doshi (held jointly with Hirendra N Doshi), 213 equity shares allotted to Anil H Patel (held jointly with Ranjan A Patel), 250 equity shares allotted to Ajay Niranjan Modi (held jointly with Sonal Ajay Modi), 796 equity shares allotted to Aditi N. Kadakia (held jointly with Nimish M Kadakia), 406 equity shares allotted to Amit Rajnikant Mody (held jointly with Rashmik Rajnikant Mody), 761 equity shares allotted to Ashish Virendra Gandhi (held jointly with Hemali Ashish Gandhi), 8,125 equity shares allotted to Bhisham Kumar Gupta (held jointly with Raksha Bhisham Gupta), 6,375 equity shares allotted to Bhisham Kumar Gupta (held jointly with Rakesh Gupta), 1,100 equity shares allotted to Bhisham Kumar Gupta (held jointly with Veenu Rakesh Gupta),267 equity shares allotted to Bhisham Kumar Gupta (HUF) held jointly with (Raksha Gupta), 147 equity shares allotted to Bela Sanjay Kacheria (held jointly with Sanjay R Kacheria), 43 equity shares allotted to Bijal Anish Gandhi (held jointly with Anish Gandhi), 40 equity shares allotted to Bharati Bharat Shah (held jointly with Pinky Sachit Shah), 139 equity shares allotted to Bipin Gokaldas Gandhi (held jointly with Kalpana B Gandhi), 1,880 equity shares allotted to Bisham Kumar Gupta(held jointly with Raksha Bhisham Gupta), 4855 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin Narendra Parikh), 590 equity shares allotted to Chandresh J Vanjara (held jointly with Darshana J. Vanjara), 405 equity shares allotted to Chintan V Mody (held jointly with Vinit R Mody), 162 equity shares allotted to Chandrakant G Shah (held jointly with Jatin C Shah), 105 equity shares allotted to Chhayaben Ashwin Dharia (held jointly with Ashwin Kantilal Dharia), 400 equity shares allotted to Chandresh Jayantilal Vanjara (held jointly with Harnish J

Vanjara), 250 equity shares allotted to Chetan Ramniklal Dharia (held jointly with Parul Chetan Dharia), 10,488 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh and Nihir Nalin Parikh), 1,667 equity shares allotted to Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh and Dhaval Nalin Parikh), 625 equity shares allotted to Dina Girish Patel (held jointly with Girish Raojibhai Patel), 7,759 equity shares allotted to Dhaval Nalin Parikh (held jointly with Dipti Nalin Parikh and Nihir Nalin Parikh),73 equity shares allotted to Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh), 589 equity shares allotted to Dhaval Nalin Parikh (held jointly with Dipti Nalin Parikh) 1203 equity shares allotted to Deep Atmaram Goel (held jointly with Daisy Deep Goel), 3138 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh),1900 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh), 7055 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh and Nihir Nalin Parikh), 1342 equity shares allotted to Dhvanil Sanjiv Dharia(held jointly with Parul Sanjiv Dharia) , 162 equity shares allotted to Dipika P Shah (held jointly with Prakash K Shah), 133 equity shares allotted to Dipen D Dharia (held jointly with Urvashi D Dharia), 3,189 equity shares allotted to Dipnal Investments Pvt. Ltd., 20 equity shares allotted to Ekta Shah (held jointly with Nitin Shah), 167 equity shares allotted to Ela Niranjan Modi (held jointly with Niranjan C Modi), 625 equity shares allotted to Girish Raojibhai Patel (held jointly with Dina Girish Patel), 375 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Parikh and Sushilaben Parikh), 4,571 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Tanvi Gaurang Parikh), 3,743 equity shares allotted to Gaurang Natwarlal Parikh (HUF) (held jointly with Natwarlal Chandulal Parikh and Tanvi Gaurang Parikh), 47 equity shares allotted to Govind C- Kadakia (held jointly with Indira G. Kadakia), 100 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Chandulal Parikh and Sushilaben Natwarlal Parikh), 22,558 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Natwarlal Chandulal Parikh and Tanvi Gaurang Parikh), 197 equity shares allotted to Hema V Mody (held jointly with Vinit R Mody), 1991 equity shares allotted to Heena Asit Dharia (held jointly with Asit Rasiklal Dharia), 7,920 equity shares allotted to Heta Tushar Parikh (held jointly with Tushar R Parikh), 240 equity shares allotted to Hemen Kaushik Shah (held jointly with Bela Hemen Shah), 3330 equity shares allotted to Hirendra N Doshi (held jointly with Alka H Doshi), 405 equity shares allotted to Hardik Rasiklal Kapadia (held jointly with Ravitej Rasiklal Kapadia), 995 equity shares allotted to Hemali Ashish Gandhi (held jointly with Ashish Virendra Gandhi), 15106 equity shares allotted to Jatin Narendra Parikh (held jointly with Chamak Jatin Parikh), 840 equity shares allotted to Jigna J Parikh (held jointly with Chamak Jatin Parikh), 1530 equity shares allotted to Sachin J Parikh (held jointly with Chamak Jatin Parikh), 775 equity shares allotted to Jatin N Desai (held jointly with Nisha J Desai), 1450 equity shares allotted to Jiten Raichand Shah (held jointly with Trupti Jiten Shah), 690 equity shares allotted to Jignasha Jay Kantawala (held jointly with Jay Shailesh Kantawalla), 129 equity shares allotted to Jayendra C Desai (HUF), 35 equity shares allotted to Jatin Chandrakant Shah (held jointly with Neeta C. Shah), 170 equity shares allotted to Jigisha Nirav Desai (held jointly with Nirav J Desai), 190 equity shares allotted to Jayendra C Desai (held jointly with Chirag Jayendra Desai), 31 equity shares allotted to Jayesh Rajnikant Shah (held jointly with Nishita J. Shah), 270 equity shares allotted to Jinisha Pathik Shah (held jointly with Pathik Shrikant Shah), 430 equity shares allotted to Jiten R Shah (held jointly with Trupti Jiten Shah), 100 equity shares allotted to Jita Paresh Dharia (held jointly with Paresh P Dharia), 772 equity shares allotted to Jagdish Kanitlal Dharia (held jointly with Geetaben Jagdish Dharia), 11,825 equity shares allotted to Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 475 equity shares allotted to Ketan Satishchandra Parikh (held jointly with Sejal K Parikh), 210 equity shares allotted to Kosha Natverlal Parikh (held jointly with Gaurang Natwarlal Parikh), 65 equity shares allotted to Ketan Satishchandra Parikh – HUF, 128 equity shares allotted to Kirit Manilal Dharia (held jointly with Veena Kirit Dharia), 11,650 equity shares allotted to Kinjal Pankil Dharia (held jointly with Pankil Nishith Dharia), 416 equity shares allotted to Ketan Madhusudan Desai HUF (held jointly with Meera Ketan Desai), 2420 equity shares allotted to Lina Suketu Parikh (held jointly with Suketu Navinchandra Parikh), 16, 300 equity shares allotted to Mangalji Amarshi (held jointly with Hansa M Amarshi), 9925 equity shares allotted to Mansi Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia)), 310 equity shares allotted to Madhuben P Parikh (held jointly with Sachin N Parikh), 215 equity shares allotted to Malini Rajnikant Trivedi (held jointly with Rajnikant D Trivedi), 360 equity shares allotted to Manorama S Mehta (held jointly with Sharad D Mehta), 2645 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Dhaval Nalin Parikh and Dipti Nalin Parikh), 2655 equity shares allotted to Madhukanta Natverlal Parikh (held jointly with Nihir Nalin Parikh and Dipti Nalin Parikh), 110 equity shares allotted to Mira Ravitej Kapadia (held jointly with Ravitej Rasiklal Kapadia), 100 equity shares allotted to Manisha Mrugendra Panchal (held jointly with Mrugendra P. Panchal), 160 equity shares allotted to Manisha N Shah (held jointly with Nimish P Shah), 16000 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 8230 equity shares allotted to Nihir Nalin Parikh (held jointly with Dipti Nalin Parikh), 1046 equity shares allotted to Nimish Manharlal Kadakia (held jointly with Smruti Nimish Kadakia), 190 equity shares allotted to Nirav Naresh Thakkar (held jointly with Kavita Nirav Thakkar), 500 equity share allotted to Navinbhai Shah (held jointly by Subhadra N Shah), 95 equity shares allotted to Nirav Jayendra Desai (held jointly with Jigisha N Desai), 35 equity shares allotted to Nitin Rajnikanth Shah (held jointly with Nita N Shah), 170 equity shares allotted to Navinchandra C- Parikh - HUF, 330 equity shares allotted to Navinbhai Shah (held jointly with Titiksha Ajay Mody), 2,510 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah), 6310 equity shares allotted to Namita Tushar Parikh (held jointly with Tushar R. Parikh), 35 equity shares allotted to Nandini Sudhir Desai (held jointly with Janhavi Desai Parikh), 250 equity shares allotted to Nikhil Ramniklal Dharia (held jointly with Jayshree Nikhil Dharia), 250 equity shares allotted to Niranjan C Modi (held jointly with Ela N Modi), 95 *equity shares allotted to Nikhil Jayantilal Mody (held jointly with Alpa Nikhil Mody), 365 equity shares allotted to Nimish P Shah (held jointly with Manisha N Shah), 155 equity shares allotted to Nita N Shah (held jointly with Nitin R Shah), 80 equity shares allotted to Nutanben Ajay Dharia (held jointly with Ajay Kantilal Dharia), 665 equity shares allotted to Pravin Occhavlal Desai (held jointly with Nikhil Pravin Desai), 685 equity shares allotted to Piya Pradip Thakkar (held jointly with Seema Pradip Thakkar), 215 equity shares allotted to Purvi Pratap Trivedi (held jointly with Pratap D Trivedi), 835 equity shares allotted to Pushpa Navinchandra Parikh (held jointly with Suketu Navinchandra Parikh and Lina Suketu Parikh), 105 equity shares allotted to Paresh Rasiklal Parikh (held jointly with Prerana Paresh Parikh), 9,645 equity shares allotted to Pankil Nishith Dharia (held jointly with Kinal Pankil Dharia), 68 equity shares allotted to Paresh Ramanlal Maniar (held jointly with Shilpa Paresh Maniar), 200 equity shares allotted to Prerna Narendra Parikh (held jointly with Shilpa Paresh Maniar), 2200 equity shares allotted to Priyal Suketu Parikh (held jointly with Suketu Navinchandra Parikh and Lina Suketu Parikh), 625 equity shares allotted to Pranay Kantilal Gandhi (held jointly with Hema Pranay Gandhi), 210 equity shares allotted to Bhavna Deepak Parikh (held jointly with Parikh Deepak Navantilal), 210 equity shares allotted to Parikh Renuka Vinod (held jointly with Parikh Vinod Navantilal), 40 equity shares allotted to Paresh R Kacheria (held jointly with Sanjay R, Kacheria), 210 equity shares allotted to Patel Girish Raojibhai (held jointly with Patel Dina Girish), 210 equity shares allotted to Patel Dina Girish (held jointly with Patel Girish Raojibhai), 361 equity shares allotted to Prakash K. Shah (held jointly with Dipika P. Shah), 420 equity shares allotted to Purnima Surendra Parikh (held jointly with Surendra Chandulal Parikh), 230 equity shares allotted to Pratik C Desai (held jointly with Tejal P. Desai), 3,230 equity shares allotted to Raksha Bhisham Gupta (held jointly with Bhisham Kumar Gupta), 1,250 equity shares allotted to Rakesh Gupta (held jointly with Veenu Rakesh Gupta), 4,370 equity shares allotted to Riddhi Mihir Kapadia (held jointly with Nishith Rasiklal Dharia), 25 equity shares allotted to Rakesh Natwarlal Dharia (held jointly with Chetna R. Dharia), 50 equity shares allotted to Rupal A- Ganatra, 250 equity shares allotted to Rajiv Jayantilal Gandhi (held jointly with Mona Rajiv Gandhi), 400 equity shares allotted to Ravitej Rasiklal Kapadia (held jointly with Hardik Rasiklal Kapadia), 410 equity shares allotted to Rashmik Rajnikant Mody (held jointly with Amit Rajnikant Mody), 260 equity shares allotted to Ruchir P Shah (held jointly with Prakash K. Shah), 490 equity shares allotted to Rakesh P Desai, 175 equity shares allotted to Rekha Jayendra Desai (held jointly with Jayendra C. Desai), 215 equity shares allotted to Ranjan Anil Patel (held jointly with Anil H Patel), 6,870 equity shares allotted to Rakesh Gupta (held jointly with Bheesham Kumar Gupta), 1575 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 1,510 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 625 equity shares allotted to Sachiv C Parikh (held jointly with Shruti Sachin Parikh), 130 equity shares allotted to Sanjay Rashiklal Kacheria (held jointly with Paresh Rasiklal Kacheria), 270 equity shares allotted to Suketu Navinchandra Parikh - HUF, 210 equity shares allotted to Sundeep Navinchandra Parikh - HUF, 410 equity shares allotted to Sonal Nishith Dharia (held jointly with Nishith Rasiklal Dharia), 35 equity shares allotted to Suresh Mutilal Mody (held jointly with Surekha S. Mody), 790 equity shares allotted to Savitri Ochhavlal Mody (held jointly with Nina Rupin Kadakia), 250 equity shares allotted to Dr. Samir Usman Shaikh (held jointly with Nina Rupin Kadakia), 75 equity shares allotted to Sonal Janak Engineer (held jointly with Janak M. Engineer), 40 equity shares allotted to Sachit Shrikant Parikh (held jointly with Pinky S. Parikh), 135 equity shares allotted to Shephali Natwarlal Parikh (held jointly with Gaurang Natwarlal Parikh), 135 equity shares allotted to Shweta Natwarlal Parikh (held jointly with Gaurang Natwarlal Parikh), 1,290 equity shares allotted to Sonal A Chande, 330 equity shares allotted to Smita Mahesh Thakkar (held jointly with Mahesh Naranji Thakkar), 250 equity shares allotted to Sanjay Jayantilal Gandhi (held jointly with Mahesh Naranji Thakkar), 245 equity shares allotted to Shrikant Dharsi Kothari (held jointly with Ulka Shrikant Kothari), 205 equity shares allotted to Sejal K Parikh (held jointly with Ketan S. Parikh), 525 equity shares allotted to Shradha N Shah, 2,460 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sundeep Navinchandra Parikh), 110 equity shares allotted to Shilpa Digdesh Mody (held jointly with Digdesh Kritikumar Mody), 170 equity shares allotted to Sonal Ajay Modi (held jointly with Ajay Niranjan Modi), 70 equity shares allotted to Sejal Manish Gandhi (held jointly with Manish Harshad Gandhi), 165 equity shares allotted to Sukanya Madhusudan Desai (held jointly with Madhusudan Chimanlal Desai), 1540 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 420 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sandeep N Parikh), 630 equity shares allotted to Sudha S Mehta (held jointly with Shruti Sachin Parikh and Sachiv C. Parikh), 1640 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 14,220 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 300 equity shares allotted to Tanvi Gaurang Parikh(held jointly with Gaurang Natwarlal Parikh), 6,575 equity shares allotted to Tushar Natwarlal Dharia (HUF) (held jointly with Ami Tushar Dharia), 1,310 equity shares allotted to Trupti Jiten Shah (held jointly with Jiten R, Shah), 3,725 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah), 23,920 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah), 195 equity shares allotted to Urvish R Mody (held jointly with Shilpa U. Mody), 46 equity shares allotted to Uma Rajan Javeri (held jointly with Ratan Satishchandra Javeri), 380 equity shares allotted to Urvish K Shah (held jointly with Sonal U Shah), 165 equity shares allotted to Uma Sam (held jointly with Julie Bagwan), 405 equity shares allotted to Vinit R Mody (held jointly with Hema V Mody), 195 equity shares allotted to Vasant Shantilal Parikh (held jointly with Kokila Vasant Parikh), 795 equity shares allotted to Vidhi N Kadakia (held jointly with Nimish M. Kadakia) and 30 equity shares allotted to Yamini Dilip Dalal (held jointly with Gopika Anup Gandhi).*

(12) ***On June 15, 2017, 200,000 equity shares were bought back from the following shareholders:***

10,000 equity shares bought-back from Ajay Niranjan Modi, 30,000 equity shares bought-back from Alka H Doshi, 10,000 equity shares bought-back from Chandres Jayantilal Vanjara, 10,000 equity shares bought-back from Deep Atmaram Goel, 30,000 equity shares bought-back from Hirendra N Doshi, 10,000 equity shares bought-back from Desai Madhusuan Ketan, 20,000 equity shares bought-back from Nimish Manharlal Kadakia, 10,000 equity shares bought-back from Parul Sanjiv Dharia, 10,000 equity shares bought-back from Piya Pradip Thakkar, 10,000 equity shares bought-back from Prakash K. Shah, 10,000 equity shares bought-back from Pravin Occhavlal Desai, 10,000 Equity shares bought-back from Purnima Surendra Parikh, 10,000 equity shares bought-back from Rashmik Rajnikant Mody, 10,000 equity shares bought-back from Sharad Dhirajlal Mehta and 10,000 equity shares bought-back from Sonal Ajay Modi.

(13) ***On January 18, 2022, 43,500,000 shares were issued pursuant to a bonus issue of 3 equity shares for every 1 equity share held to the following shareholders:***

7,50,000 equity shares allotted to Ami Tushar Dharia (held jointly with Tushar Natverlal Dharia), 15,00,000 equity shares allotted to Bhisham Kumar Gupta (held jointly with Raksha Bhisham Gupta), 9,00,000 equity shares allotted to Bhisham Kumar Gupta (held jointly with Rakesh Gupta), 19,50,000 equity shares allotted to Deepak M Amarshi (held jointly with Ushma D Amarshi), 15,00,000 equity shares allotted to Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh), 13,50,000 equity shares allotted to Dhaval Nalin Parikh (held jointly with Dipti Nalin Parikh), 16,50,000 equity shares allotted to Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh),7,50,000 equity shares allotted to Gaurang Natwarlal Parikh (HUF), 39,00,000 equity shares allotted to Gaurang Natwarlal Parikh (held jointly with Tanvi Gaurang Parikh), 7,50,000 equity shares allotted to Heta Tushar Parikh , 4,50,000 equity shares allotted to Jignasha Jay Kantawalla (held jointly with Jay Shailesh Kantawalla), 1,50,000 equity shares allotted to Janhavi Nihir Parikh (held jointly with Nihir Nalin Parikh), 13,50,000 equity shares allotted to Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia), 6,00,000 equity shares allotted to Kinjal Pankil Dharia (held jointly with Pankil Nishith Dharia), 3,00,000 equity shares allotted to Lina Suketu Parikh (held jointly with Suketu Navinchandra Parikh), 30,00,000 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 13,50,000 equity shares allotted to Nihir Nalin Parikh (held jointly with Dipti Nalin Parikh), 7,50,000 equity shares allotted to Namita Tushar Parikh, 3,00,000 equity shares allotted to Pushpa Navinchandra Parikh (held jointly with Suketu Navinchandra Parikh), 15,000 equity shares allotted to Pankil Nishith Dharia (held jointly with Kinjal Nishith Dharia), 4,50,000 equity shares allotted to Sandhya Nishith Shah (held jointly with Anvi Nishith Shah), 6,00,000 equity shares allotted to Sandhya Nishith Shah (held jointly with Ashna Nishith Shah), 3,00,000 equity shares allotted to Raksha Bhisham Gupta (held jointly with Bhisham Kumar Gupta), 1,50,000 equity shares allotted to Rakesh Gupta (held jointly with Veenu Rakesh Gupta), 1,95,000 equity shares allotted to Rajnikant C. Shah (HUF), 19,65,000 equity shares allotted to Sandhya Nishith Shah (held jointly with Nishith Rajnikant Shah), 3,00,000 equity shares allotted to Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh), 3,00,000 equity shares allotted to Sonal Nishith Dharia (held jointly with Nishith Rasiklal Dharia), 3,00,000 equity shares allotted to Sheetal Sandeep Parikh (held jointly with Sundeep Navinchandra Parikh), 3,00,000 equity shares allotted to Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh), 3,00,000 equity shares allotted to Suhagi Dhaval Parikh (held jointly with Dhaval Nalin Parikh), 15,00,000 equity shares allotted to Sachin Jatin Parikh (held jointly with Shruti Sachin Parikh), 9,00,000 equity shares allotted to Tushar Natverlal Dharia- HUF, 7,50,000 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 1,50,000 equity shares allotted to Tanvi Gaurang Parikh (held jointly with Gaurang Natwarlal Parikh), 4,50,000 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah), 49,65,000 equity shares allotted to Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah), 7,50,000 equity shares allotted to Veenu Rakesh Gupta (held jointly with Rakesh Gupta), 1,50,000 equity shares allotted to Shruti Sachin Parikh (held jointly with Sachin Jatin Parikh), 9,75,000 equity shares allotted to Chamak Jatin Parikh (held jointly with Jatin Narendra Parikh), 10,50,000 equity shares allotted to Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia), 9,75,000 equity shares allotted to Jatin Narendra Parikh (held jointly with Chamak Jatin Parikh), 12,60,000 equity shares allotted to Sonal Nishith Dharia (held jointly with Nishith Rasiklal Dharia),15,000 equity shares allotted to Riddhi Mihir Kapadia (held jointly with Nishith Rasiklal Dharia), 7,35,000 equity shares allotted to Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia), 3,75,000 equity shares allotted to Anvi Nishith Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah) and 75,000 equity shares allotted to Nishith Rajnikant Shah (held jointly with Sandhya Nishith Shah).

(b) ***Preference Share capital***

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

2. **Equity shares issued for consideration other than cash**

Our Company has not issued any equity shares for consideration other than cash since its incorporation.

3. **Equity shares issued for consideration out of revaluation reserves**

Our Company has not issued any equity shares out of revaluation reserves since its incorporation.

4. **Allotment of equity shares pursuant to schemes of arrangement**

Our Company has not issued, or allotted equity shares pursuant to schemes of arrangement approved under Sections 391 - 394 of the erstwhile Companies Act, 1956 or Sections 230 - 234 of the Companies Act, 2013.

5. **Issue of equity shares under employee stock option schemes**

Our Company does not have any employee stock option scheme as on the date of this Draft Red Herring Prospectus.

6. **Issue of equity shares at a price lower than the Offer Price in the last one year**

Except for the bonus issuance on January 18, 2022 as stated in " – *Notes to Capital Structure*" on page 76, our Company has not issued any equity shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

7. **Shareholding pattern of our Company**

The table below presents the equity 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 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 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 shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)							
								Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoters and Promoter Group	41	53,400,000	-	-	53,400,000	92.07%	53,400,000	-	53,400,000	92.07%	-	92.07%	-	-	-	-	53,400,000
(B)	Public	3	4,600,000	-	-	4,600,000	7.93%	4,600,000	-	4,600,000	7.93%	-	7.93%	-	-	-	-	4,600,000
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**44**	**58,000,000**	**-**	**-**	**58,000,000**	**100%**	**58,000,000**	**-**	**58,000,000**	**100%**	**-**	**100%**	**-**	**-**	**-**	**-**	**58,000,000**

**Certain Equity Shares of the Company are under joint holding and the number of shareholders is calculated based on the number of folios as reflected in the list of beneficial owners.*

8. As on the date of this Draft Red Herring Prospectus, our Company has 44 Shareholders.

9. **Details of shareholding of the major Shareholders of our Company**

Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of the Draft Red Herring Prospectus, and 10 days prior to, the date of this Draft Red Herring Prospectus (held as first holders only).

S. No.	Name of Shareholder	Number of Equity Shares of face value of ₹ 2	Percentage of pre-Offer Equity Share capital (%)
1.	Usha Rajnikant Shah*	74,80,000	12.90
2.	Gaurang Natwarlal Parikh*	52,00,000	8.97
3.	Nishith Rasiklal Dharia*	49,80,000	8.59
4.	Dipti Nalin Parikh*	42,00,000	7.24
5.	Sandhya Nishith Shah*	40,20,000	6.93
6.	Bhisham Kumar Gupta*	32,00,000	5.52
7.	Dipak Amarshi*	26,00,000	4.48
8.	Tushar Natverlal Dharia*	24,00,000	4.14
9.	Sonal Nishith Dharia*	20,79,000	3.58
10.	Sachin Parikh*	20,00,000	3.45
11.	Dhaval Nalin Parikh*	18,00,000	3.10
12.	Nihir Nalin Parikh*	18,00,000	3.10
13.	Kunal Tushar Dharia*	18,00,000	3.10
14.	Chamak Jatin Parikh*	13,00,000	2.24
15.	Jatin Narendra Parikh*	13,00,000	2.24
16.	Tushar Natverlal Dharia (HUF)	12,00,000	2.07
17.	Gaurang Natwarlal Parikh HUF	10,00,000	1.72
18.	Veenu Rakesh Gupta*	10,00,000	1.72
19.	Ami Tushar Dharia*	10,00,000	1.72
20.	Heta T. Parikh	10,00,000	1.72
21.	Namita T. Parikh	10,00,000	1.72
22.	Kinjal Pankil Dharia*	8,00,000	1.38
23.	Jignasha Jay Kantawala*	6,00,000	1.03
	Total	**5,37,59,000**	**92.69**

**Held jointly with certain other Shareholders*.

Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus (held as first holders only).

S. No.	Name of Shareholder	Number of Equity Shares of face value of ₹ 10^	Percentage of pre-Offer Equity Share capital as of one year prior to the date of this Draft Red Herring Prospectus (%)^
1.	Usha Rajnikant Shah*	3,60,000	12.41
2.	Gaurang Natwarlal Parikh *	2,60,000	8.97
3.	Dipti Nalin Parikh*	2,10,000	7.24
4.	Sandhya Nishith Shah*	2,01,000	6.93
5.	Nishith Rasiklal Dharia*	2,00,000	6.90
6.	Bhisham Kumar Gupta*	1,60,000	5.52
7.	Dipak Amarshi*	1,30,000	4.48
8.	Sachin Jatin Parikh*	1,00,000	3.45
9.	Nihir Nalin Parikh*	90,000	3.10
10.	Dhaval Nalin Parikh*	90,000	3.10
11.	Kunal Tushar Dharia*	90,000	3.10
12.	Riddhi Mihir Kapadia*	85,000	2.93
13.	Tushar Rasiklal Parikh	80,000	2.76
14.	Mansi Tushar Dharia*	70,000	2.41
15.	Chamak Jatin Parikh*	70,000	2.41
16.	Jatin Narendra Parikh*	70,000	2.41
17.	Tushar Natverlal Dharia HUF	60,000	2.07
18.	Nishith Rajnikant Shah*	30,000	1.03
19.	Gaurang Natwarlal Parikh HUF	50,000	1.72
20.	Ami Tushar Dharia*	50,000	1.72
21.	Tushar Natverlal Dharia*	50,000	1.72
22.	Veenu Rakesh Gupta*	50,000	1.72
23.	Pankil Nishith Dharia*	50,000	1.72
24.	Kinjal Pankil Dharia*	40,000	1.38
25.	Jignasha Jay Kantawala*	30,000	1.03
	Total	**26,76,000**	**92.28**

**Held jointly with certain other Shareholders.*

Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus (held as first holders only).

S. No.	Name of Shareholder	Number of Equity Shares of face value of ₹ 10^	Percentage of pre-Offer Equity Share capital as of two year prior to the date of this Draft Red Herring Prospectus (%)^
1.	Usha Rajnikant Shah*	3,60,000	12.41

S. No.	Name of Shareholder	Number of Equity Shares of face value of ₹ 10^	Percentage of pre-Offer Equity Share capital as of two year prior to the date of this Draft Red Herring Prospectus (%)^
2.	Gaurang Natwarlal Parikh *	2,60,000	8.97
3.	Dipti Nalin Parikh *	2,10,000	7.24
4.	Sandhya Nishith Shah*	2,01,000	6.93
5.	Nishith Rasiklal Dharia*	2,00,000	6.90
6.	Bhisham Kumar Gupta*	1,60,000	5.53
7.	Dipak Amarshi*	1,30,000	4.48
8.	Tushar Natverlal Dharia*	1,30,000	4.48
9.	Gaurang Natwarlal Parikh HUF	50,000	1.72
10.	Dhaval Nalin Parikh*	90,000	3.10
11.	Kunal Tushar Dharia*	90,000	3.10
12.	Nihir Nalin Parikh*	90,000	3.10
13.	Riddhi Mihir Kapadia*	85,000	2.93
14.	Chamak Jatin Parikh*	70,000	2.41
15.	Jatin Narendra Parikh*	70,000	2.41
16.	Mansi Tushar Dharia*	70,000	2.41
17.	Tushar Natverlal Dharia HUF	60,000	2.07
18.	Ami Tushar Dharia*	60,000	2.07
19.	Pankil Nishith Dharia*	50,000	1.72
20.	Tushar Rasiklal Parikh*	50,000	1.72
21.	Veenu Rakesh Gupta*	50,000	1.72
22.	Kinjal Pankil Dharia*	40,000	1.38
23.	Jignasha Jay Kantawala*	30,000	1.03
24.	Sachin Jatin Parikh*	30,000	1.03
25.	Kalpana Tushar Parikh*	30,000	1.03
	Total	**26,66,000**	**91.93**

**Held jointly with certain other Shareholders.*

10. **Details of Shareholding of our Directors and Key Managerial Personnel in our Company**

Except as disclosed in "*Our Management – Shareholding of Directors in our Company*" on page 221, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.

11. **History of Equity Share capital build-up, contribution and lock-in of Promoters' shareholding**

(a) Build-up of Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold (a) 16,500,000 Equity Shares aggregating to 28.45% of the issued, subscribed and paid-up Equity Share capital of our Company (as first holders only), and (b) 35,999,000 Equity Shares aggregating to 62.07% of the issued, subscribed and paid-up Equity Share capital of our Company (as first holders or second holders).

Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company, for the Equity Shares which are held by them as first holders.

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
1. *Nishith Rajnikant Shah*							
February 25, 1993	15,000	10	10	Cash	Initial Subscription to the Memorandum of Association and further issue	0.13	[.]
February 21, 1995*	10,330*	10	10*	Cash*	Further Issue*	0.09	[.]
March 16, 1995	24,340	10	10	Cash	Further Issue	0.21	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Jiten Raichand Shah	(0.02)	[.]
January 18, 1996	(5,000)	10	10	Cash	Transferred to Sejal K Parikh	(0.04)	[.]
January 18, 1996	(2,000)	10	10	Cash	Transferred to Sundeep Navinchandra Parikh	(0.02)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Navinchandra C. Parikh	(0.01)	[.]
January 18, 1996	(2,000)	10	10	Cash	Transferred to Lina Suketu Parikh	(0.02)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Trupti Jiten Shah	(0.02)	[.]
February 23, 1996	21,810	10	10	Cash	Further Issue	0.19	[.]
November 26, 1999	10,000	10	10	Cash	Transferred from Kalpana Ravikant Parikh	0.09	[.]
January 7, 2000	3,750	10	10	Cash	Transferred from Charu Jatin Sheth	0.03	[.]
March 15, 2001	6,700	10	10	Cash	Transferred from Falguni Sunil Thakkar	0.06	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
March 15, 2001	3,000	10	10	Cash	Transferred from Falguni Sunil Thakkar	0.03	[.]
March 15, 2001	6,550	10	10	Cash	Transferred from Sunil Shantilal Thakkar	0.06	[.]
March 15, 2001	4,500	10	10	Cash	Transferred from Falguni Sunil Thakkar	0.04	[.]
March 15, 2001	300	10	10	Cash	Transferred from Falguni Sunil Thakkar	0.00	[.]
March 15, 2001	2,500	10	10	Cash	Transferred from Nilesh Manek	0.02	[.]
March 15, 2001	2,500	10	10	Cash	Transferred from Alka Nilesh Manek	0.02	[.]
March 15, 2001	3,450	10	10	Cash	Transferred from Sunil Shantilal Thakkar	0.03	[.]
March 7, 2002*	(6,508) *	10	30*	Cash*	Buy back*	(0.06)	[.]
May 23, 2002	(800)	10	30	Cash	Transferred to Kiran Kanayalal Parikh	(0.01)	[.]
May 23, 2002	(2,000)	10	30	Cash	Transferred to Aniket Ravindra Deshpande	(0.02)	[.]
May 23, 2002	20,000	10	30	Cash*	Transferred from Naresh Chatrubhuj Thakkar	0.17	[.]
September 29, 2003	(505)	10	30	Cash	Buy back	(0.00)	[.]
September 29, 2003	(12,663)	10	30	Cash	Buy back	(0.11)	[.]
September 29, 2003	(3,454)	10	30	Cash	Buy back	(0.03)	[.]
April 22, 2004	1,000	10	30	Cash	Transferred from Sanjay Parshotamdas Popli	0.01	[.]
April 22, 2004	2,600	10	30	Cash	Transferred from Mukul Gupta	0.02	[.]
August 5, 2004	1,250	10	30	Cash	Transferred from Nutanben Ajay Dharia	0.01	[.]
July 14, 2005	300	10	40	Cash	Transferred from Rita Minish Kadakia	0.00	[.]
July 14, 2005	3,900	10	40	Cash	Transferred from Amit Rajnikant Mody	0.03	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
January 24, 2007	300	10	50	Cash	Transferred from Brijmohan Maheshwari and Amarlata Maheshwari	0.00	[.]
July 12, 2007	4,800	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.04	[.]
July 12, 2007	19,350	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.17	[.]
July 12, 2007	1,800	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.02	[.]
October 27, 2009	6,050	10	80	Cash	Transferred from Sharad D. Mehta and Manorama S. Mehta	0.05	[.]
December 10, 2009	6,030	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.05	[.]
December 10, 2009	24,000	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.21	[.]
December 10, 2009	3,767	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.03	[.]
February 21, 2012	4,020	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.03	[.]
February 21, 2012	16,000	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.14	[.]
February 21, 2012	2,510	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.02	[.]
June 22, 2013	450	10	150	Cash	Transferred from Madhuben Parikh and Sachin P. Parikh	0.00	[.]
July 12, 2013	700	10	150	Cash	Transferred from Sharad D. Mehta and Manorama S. Mehta	0.01	[.]
July 12, 2013	800	10	150	Cash	Transferred from Piyush Kantilal Gandhi (HUF)	0.01	[.]
August 20, 2014	(22,827)	10	170	Cash	Transferred to Usha Rajnikant Shah, Nishith Rajnikant Shah and Sandhya Nishith Shah	(0.20)	[.]
August 20, 2014	(34,150)	10	170	Cash	Transferred to Usha Rajnikant Shah, Nishith Rajnikant Shah and Sandhya Nishith Shah	(0.29)	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
August 26, 2014	(1,35,750)	10	170	Cash	Transferred to Usha Rajnikant Shah, Nishith Rajnikant Shah and Sandhya Nishith Shah	(1.17)	[.]
June 23, 2016	486	10	400	Cash	Transferred from Sandhya Nishith Shah and Anvi Nishith Shah	0.00	[.]
July 7, 2016	1,300	10	400	Cash	Transferred from Sharad Dhirajlal Mehta and Manoram S. Mehta	0.01	[.]
July 7, 2016	500	10	400	Cash	Transferred from Gaurang Natwarlal Parikh and Tanvi Gaurang Parikh	0.00	[.]
July 7, 2016	1,047	10	400	Cash	Transferred from Manorama Sharad Mehta and Sharad D. Mehta	0.01	[.]
July 15, 2016	1,856	10	400	Cash	Transferred from Hemlata P Mehta and Pravin D. Mehta	0.02	[.]
July 15, 2016	4,112	10	400	Cash	Transferred from Pravin D. Mehta and Hemlata P. Mehta	0.04	[.]
September 29, 2016	(1)	10	400	Cash	Transferred to Gaurang Natwarlal Parikh	0.00	[.]
October 26, 2020	10,000	10	1,150	Cash	Transferred from Tushar Natverlal Dharia and Ami Tushar Dharia	0.09	[.]
October 26, 2020	10,000	10	1,150	Cash	Transferred from Tushar Natverlal Dharia and Ami Tushar Dharia	0.09	[.]
Pursuant to Shareholders' resolution dated December 8, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 30,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 1,50,000 Equity Shares of face value of ₹ 2 each							
January 15, 2022	(1,25,000)	2	NA	Cash	Transferred to Anvi Nishith Shah jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah by way of gift	(0.22)	[.]
January 18, 2022	75,000	2	NA	NA	Bonus Issue	0.13	[.]
Total	**1,00,000**		**NA**	**NA**	**NA**	**0.17**	**[.]**

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
2. Gaurang Natwarlal Parikh							
January 18, 1996	2,500	10	10	Cash	Transferred from Madhukanta Natverlal Parikh	0.02	[.]
February 23, 1996	3,750	10	10	Cash	Further Issue	0.03	[.]
March 15, 2001	20,850	10	10	Cash	Transferred from Kamlaben Chimanlal Shah	0.18	[.]
August 9, 2001	43,000	10	15	Cash	Transferred from Dipak M Amarshi	0.37	[.]
August 9, 2001	24,000	10	15	Cash	Transferred from Natwerlal Ochhavlal Parikh	0.21	[.]
August 9, 2001	11,970	10	15	Cash	Transferred from Nishith Rasiklal Dharia	0.10	[.]
August 9, 2001	7,700	10	15	Cash	Transferred from Sandhya Nishith Shah	0.07	[.]
August 9, 2001	3,130	10	15	Cash	Transferred from Madhukanta Natverlal Parikh	0.03	[.]
August 9, 2001	20,870	10	15	Cash	Transferred from Madhukanta Natverlal Parikh	0.18	[.]
August 9, 2001	1,250	10	15	Cash	Transferred from Dipti Nalin Parikh	0.01	[.]
August 9, 2001	10,000	10	15	Cash	Transferred from Kamlaben Chimanlal Shah	0.09	[.]
August 9, 2001	7,200	10	15	Cash	Transferred from Kamlaben Chimanlal Shah	0.06	[.]
March 7, 2002*	(9,355) *	10	30*	Cash*	Buy Back*	(0.08)	[.]
May 23, 2002	18,577	10	30	Cash	Transferred from Sunil Shantilal Thakkar	0.16	[.]
July 31, 2003	1,000	10	30	Cash	Transferred from Narendra Palan	0.01	[.]
July 31, 2003	2,310	10	30	Cash	Transferred from Sudhir Kantilal Doshi	0.02	[.]
July 31, 2003	800	10	30	Cash	Transferred from Shyamal Kaushik Kothar	0.01	[.]
July 31, 2003	300	10	30	Cash	Transferred from Shyamal Kaushik Kothar	0.00	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
July 31, 2003	35	10	30	Cash	Transferred from Sudhir Kantilal Doshi	0.00	[.]
September 29, 2003	(400)	10	30	Cash	Buyback	(0.00)	[.]
September 29, 2003	(24,000)	10	30	Cash	Buyback	(0.21)	[.]
September 29, 2003	(700)	10	30	Cash	Buyback	(0.01)	[.]
September 29, 2003	(505)	10	30	Cash	Buyback	(0.00)	[.]
April 22, 2004	2,300	10	30	Cash	Transferred from Anand Parshotam Popli	0.02	[.]
August 5, 2004	750	10	30	Cash	Transferred from Pinkal Jasvant Parikh	0.01	[.]
July 14, 2005	200	10	40	Cash	Transferred from Minaxi Daxesh Kadakia	0.00	[.]
July 14, 2005	2,400	10	40	Cash	Transferred from Siraj T Suterwalla	0.02	[.]
July 25, 2006	400	10	40	Cash	Transferred from Upendra J Shah	0.00	[.]
July 12, 2007	750	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.01	[.]
July 12, 2007	2,550	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.02	[.]
July 12, 2007	500	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.00	[.]
August 20, 2009	(247)	10	70	Cash	Transferred to Kosha Natwarlal Parikh and Gaurang Natwarlal Parikh	(0.00)	[.]
December 10, 2009	937	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.01	[.]
December 10, 2009	3,086	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.03	[.]
December 10, 2009	610	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.01	[.]
December 10, 2009	33,837	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.29	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
August 30, 2010	2,000	10	90	Cash	Transferred from Shashi Ramesh Mehta and Jigna J Parikh	0.02	[.]
August 30, 2010	600	10	90	Cash	Transferred from Paresh L Mehta and Jigna J Parikh	0.01	[.]
August 30, 2010	1,000	10	90	Cash	Transferred from Uzma Babu Shaikh and Jigna Jatin Parikh	0.01	[.]
May 11, 2011	2,000	10	90	Cash	Transferred from Pratibha N. Thakkar and Jigna Jatin Parikh	0.02	[.]
February 21, 2012	375	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	2,671	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.02	[.]
February 21, 2012	1,900	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.02	[.]
February 21, 2012	100	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	22,558	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.19	[.]
July 3, 2012	650	10	125	Cash	Transferred from Viswanadham Vithala	0.01	[.]
February 28, 2013	9,300	10	125	Cash	Transferred from Natverlal C Parikh and Gaurang Natwarlal Parikh	0.08	[.]
June 22, 2013	450	10	150	Cash	Transferred from Madhuben P Parikh and Sachin P. Parikh	0.00	[.]
July 12, 2013	800	10	150	Cash	Transferred from Piyush Kantilal Gandhi (HUF)	0.01	[.]
June 24, 2014	1,000	10	170	Cash	Transferred from Sharad Dhirajlal Mehta and Manorama Sharad Mehta	0.01	[.]
April 30, 2015	(100)	10	170	Cash	Transferred to Bipin Gandhi-HUF	0.00	[.]
April 30, 2015	(100)	10	170	Cash	Transferred to K P Mahadevia and B.K. Mahadevia	0.00	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
April 30, 2015	(100)	10	170	Cash	Transferred to S. R Mahadevia and R. K. Mahadevia.	0.00	[.]
April 30, 2015	(100)	10	170	Cash	Transferred to Kalpana B Gandhi	0.00	[.]
June 3, 2016	(36,402)	10	Nil	N.A	Transferred to Gaurang Natwarlal Parikh	(0.31)	[.]
June 3, 2016	36,402	10	Nil	N.A	Transferred from Gaurang Natwarlal Parikh	0.31	[.]
June 15, 2016	(845)	10	400	Cash	Transferred to Gaurang Natwarlal Parikh (HUF)	(0.01)	[.]
June 15, 2016	(1,000)	10	400	Cash	Transferred to Gaurang Natwarlal Parikh (HUF)	(0.01)	[.]
June 15, 2016	(3,150)	10	400	Cash	Transferred to Gaurang Natwarlal Parikh (HUF)	(0.03)	[.]
June 15, 2016	(4,217)	10	400	Cash	Transferred to Tanvi Gaurang Parikh and Gaurang Natwarlal Parikh	(0.04)	[.]
June 15, 2016	1,135	10	400	Cash	Transferred from Shweta Natwarlal Parikh and Gaurang Natwarlal Parikh	0.01	[.]
June 15, 2016	1,435	10	400	Cash	Transferred from Shephali Natwarlal Parikh and Gaurang Natwarlal Parikh	0.01	[.]
June 15, 2016	1,762	10	400	Cash	Transferred from Kosha Natwarlal Parikh and Gaurang Natwarlal Parikh	0.02	[.]
June 20, 2016	(3,187)	10	400	Cash	Transferred to Gaurang Natwarlal Parikh (HUF)	(0.03)	[.]
June 23, 2016	250	10	400	Cash	Transferred from Kosha Natwarlal Parikh and Gaurang Natwarlal Parikh	0.00	[.]
June 24, 2016	26	10	400	Cash	Transferred from Prakash K. Shah and Dipika P. Shah	0.00	[.]
July 7, 2016	(500)	10	400	Cash	Transferred to Nishith Rajnikant Shah and Sandhya Nishith Shah	(0.00)	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
August 12, 2016	5,241	10	400	Cash	Transferred from Nandini Sudhir Desai and Janhavi Desai Parikh	0.05	[.]
August 17, 2016	62	10	400	Cash	Transferred from Indira G. Kadakia and Govind C. Kadakia	0.00	[.]
August 17, 2016	250	10	400	Cash	Transferred from Govind C-Kadakia and Indira G. Kadakia	0.00	[.]
August 17, 2016	47	10	400	Cash	Transferred from Dipen G. Kadakia and Hetal D. Kadakia	0.00	[.]
August 17, 2016	4,400	10	400	Cash	Transferred from Shraddha V Gupta and Vivek R. Gupta	0.04	[.]
September 29, 2016	430	10	400	Cash	Transferred from Kishore M. Asrani and Rachna Kishore Asrani	0.00	[.]
September 29, 2016	44	10	400	Cash	Transferred from Nandini Sudhir Desai and Janhavi Desai Parikh	0.00	[.]
September 29, 2016	250	10	400	Cash	Transferred from Chetan R. Dharia and Parul C. Dharia	0.00	[.]
September 29, 2016	50	10	400	Cash	Transferred from Urvish Rasiklal Mody and Shilpa Urvish Mody	0.00	[.]
September 29, 2016	200	10	400	Cash	Transferred from Prerna Narendra Parikh and Vicky Narendra Parikh	0.00	[.]
September 29, 2016	50	10	400	Cash	Transferred from Jatin Chandrakant Shah and Neeta C. Shah	0.00	[.]
September 29, 2016	250	10	400	Cash	Transferred from Nikhil Ramniklal Dharia and Jayshree Nikhil Dharia	0.00	[.]
September 29, 2016	330	10	400	Cash	Transferred from Smita Mahesh Thakkar and Mahesh Naranji Thakkar	0.00	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
September 29, 2016	340	10	400	Cash	Transferred from Bharati Bharat Shah	0.00	[.]
September 29, 2016	689	10	400	Cash	Transferred from Jagdish Kantilal Dharia and Geetaben Jagdish Dharia	0.01	[.]
September 29, 2016	850	10	400	Cash	Transferred from Jita Paresh Dharia and Paresh Punamchand Dharia	0.01	[.]
September 29, 2016	855	10	400	Cash	Transferred from Chhayaben Ashwin Dharia and Ashwin Kantilal Dharia	0.01	[.]
September 29, 2016	1,133	10	400	Cash	Transferred from Dipen Deepak Dharia and Urvashi Deepak Dharia	0.01	[.]
September 29, 2016	29	10	400	Cash	Transferred from Dhaval N. Shah and Nitin R. Shah	0.00	[.]
September 29, 2016	67	10	400	Cash	Transferred from Jayendra C Desai and Rekha J Desai	0.00	[.]
September 29, 2016	83	10	400	Cash	Transferred from Purnima Surendra Parikh and Surendra Chandulal Parikh	0.00	[.]
September 29, 2016	168	10	400	Cash	Transferred from Ashish Virendra Gandhi and Hemali Ashish Gandhi	0.00	[.]
September 29, 2016	271	10	400	Cash	Transferred from Anju Agarwal and Rajiv Agarwal	0.00	[.]
September 29, 2016	27	10	400	Cash	Transferred from Chintan Vinit Mody and Vinit Rasiklal Mody	0.00	[.]
September 29, 2016	24	10	400	Cash	Transferred from Hemali Ashish Gandhi and Ashish Virendra Gandhi	0.00	[.]
September 29, 2016	25	10	400	Cash	Transferred from Jiten R. Shah and Trupti Jiten Shah	0.00	[.]
September 29, 2016	76	10	400	Cash	Transferred from Trupti Jiten Shah and Jiten R. Shah	0.00	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
September 29, 2016	108	10	400	Cash	Transferred from Uma Rajan Javeri and Rajan Satishchandra Javeri	0.00	[.]
September 29, 2016	231	10	400	Cash	Transferred from Tushar Natwarlal Dharia (HUF)	0.00	[.]
September 29, 2016	30	10	400	Cash	Transferred from Bhisham Kumar Gupta and Raksha Bhisham Gupta	0.00	[.]
September 29, 2016	228	10	400	Cash	Transferred from Deep Atmaram Goel and Daisy Deep Goel	0.00	[.]
September 29, 2016	1,483	10	400	Cash	Transferred from Piya Pradip Thakkar and Seema Pradeep Thakkar	0.01	[.]
September 29, 2016	5	10	400	Cash	Transferred from Hirendra N Doshi and Alka H. Doshi	0.00	[.]
September 29, 2016	7	10	400	Cash	Transferred from Riddhi Mihir Kapadia and Nishith Rasiklal Dharia	0.00	[.]
September 29, 2016	10	10	400	Cash	Transferred from Chamak Jatin Parikh and Jatin Narendra Parikh	0.00	[.]
September 29, 2016	30	10	400	Cash	Transferred from Alka H Doshi and Hirendra N. Doshi	0.00	[.]
September 29, 2016	33	10	400	Cash	Transferred from Nishith Rasiklal Dharia and Sonal Nishith Dharia	0.00	[.]
September 29, 2016	48	10	400	Cash	Transferred from Usha Rajnikant Shah and Nishith Rajnikant Shah	0.00	[.]
September 29, 2016	62	10	400	Cash	Transferred from Pravin Occhavlal Desai and Nikhil Pravin Desai	0.00	[.]
September 29, 2016	1,375	10	400	Cash	Transferred from Ushma Dipak Amarshi and Dipak M. Amarshi	0.01	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
September 29, 2016	1	10	400	Cash	Transferred from Nishith Rajnikant Shah and Sandhya Nishith Shah	0.00	[.]
September 29, 2016	9	10	400	Cash	Transferred from Ketankumar S. Parikh and Sejal K. Parikh	0.00	[.]
September 29, 2016	73	10	400	Cash	Transferred from Parul S Dharia	0.00	[.]
October 17, 2016	958	10	400	Cash	Private Placement	0.01	[.]
May 26, 2017	10,000	10	425	Cash	Transferred from Ravitej Rasiklal Kapadia and Hardik R. Kapadia	0.09	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 2,60,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 13,00,000 Equity Shares of face value of ₹ 2 each							
January 18, 2022	39,00,000	2	NA	Other than Cash	Bonus Issue	6.72	[.]
Total	**52,00,000**		**NA**	**NA**	**NA**	**8.97**	**[.]**
3. Dhaval Nalin Parikh							
February 21, 1995*	10,000*	10	10*	Cash*	Further Issue*	0.09	[.]
February 23, 1996	10,000	10	10	Cash	Further Issue	0.09	[.]
March 15, 2001	7,500	10	10	Cash	Transferred from Kishor G Sanghvi	0.06	[.]
March 15, 2001	2,300	10	10	Cash	Transferred from Hansa K Sanghvi	0.02	[.]
March 15, 2001	5,200	10	10	Cash	Transferred from Hansa K Sanghvi	0.04	[.]
March 7, 2002*	(2,284) *	10	30*	Cash*	Buy Back*	(0.02)	[.]
May 23, 2002	8,923	10	30	Cash	Transferred from Sunil Shantilal Thakkar	0.08	[.]
September 29, 2003*	(6,239) *	10	30*	Cash*	Buyback*	(0.05)	[.]
April 22, 2004	1,200	10	30	Cash	Transferred from Parshottamdas Khiaram Popli	0.01	[.]
August 5, 2004	625	10	30	Cash	Transferred from Rita Paresh Mehta	0.01	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
July 14, 2005	2,000	10	40	Cash	Transferred from Masooma S Suterwalla	0.02	[.]
July 25, 2006	400	10	40	Cash	Transferred from Upendra J Shah	0.00	[.]
January 24, 2007	300	10	50	Cash	Transferred from Brijmohan Maheshwari and Amarlata Maheshwari	0.00	[.]
July 12, 2007	9,300	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.08	[.]
July 12, 2007	800	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.01	[.]
December 10, 2009	11,631	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.10	[.]
December 10, 2009	880	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.01	[.]
February 21, 2012	7,759	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.07	[.]
February 21, 2012	589	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]
July 3, 2012	300	10	125	Cash	Transferred from Viswanadham Vithala	0.00	[.]
June 22, 2013	450	10	150	Cash	Transferred from Madhuben P Parikh and Sachin P. Parikh	0.00	[.]
July 12, 2013	700	10	150	Cash	Transferred from Sharad D. Mehta and Manorama J. Mehta	0.01	[.]
July 12, 2013	800	10	150	Cash	Transferred from Piyush Kantilal Gandhi (HUF)	0.01	[.]
July 10, 2014	1,175	10	170	Cash	Transferred from Sharad Dhirajlal Mehta and Manorama Sharad Mehta	0.01	[.]
February 23, 2016	22,457	10	NA	NA	Transmission from Madhukanta Natverlal Parikh	0.19	[.]
August 3, 2016	(65,915)	10	Nil	N.A	Transferred to Dhaval Nalin Parikh	(0.57)	[.]
August 3, 2016	1,730	10	400	Cash	Transferred from Dipnal Investments Pvt. Ltd.	0.01	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
August 3, 2016	65,915	10	Nil	N.A.	Transferred from Dhaval Nalin Parikh	0.57	[.]
October 17, 2016	1,504	10	400	Cash	Private placement	0.01	[.]
September 15, 2017	(10,000)	10	425	Cash	Transferred to Suhagi Dhaval Parikh and Dhaval Nalin Parikh	(0.09)	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 90,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 4,50,000 Equity Shares of face value of ₹ 2 each							
January 18, 2022	1,350,000	2	NA	Other than Cash	Bonus Issue	2.33	[.]
Total	**1,800,000**		**NA**	**NA**	**NA**	**3.10**	**[.]**
4. Pankil Nishith Dharia							
December 10, 2009	6,000	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.05	[.]
August 30, 2010	1,200	10	90	Cash	Transferred from Jawahar A Shah and Jigna Jatin Shah	0.01	[.]
August 30, 2010	1000	10	90	Cash	Transferred from Pratibha N. Thakkar and Jigna J Parikh	0.01	[.]
August 30, 2010	600	10	90	Cash	Transferred from Paresh L Mehta and Jigna J Parikh	0.01	[.]
August 30, 2010	600	10	90	Cash	Transferred from Uzma Babu Shaikh and Jigna Jatin Parikh	0.01	[.]
August 30, 2010	600	10	90	Cash	Transferred from Uzma Babu Shaikh and Jigna Jatin Parikh	0.01	[.]
August 30, 2010	600	10	90	Cash	Transferred from Uzma Babu Shaikh and Jigna Jatin Parikh	0.01	[.]
February 21, 2012	107	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	127	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	127	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	1,320	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]
February 21, 2012	805	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
February 21, 2012	620	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]
February 21, 2012	430	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	570	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	539	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.00	[.]
February 21, 2012	5,000	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.04	[.]
February 27, 2012	600	10	125	Cash	Transferred from Shilpa Digdesh Mody and Digdesh Kritikumar Mody	0.01	[.]
July 3, 2012	400	10	125	Cash	Transferred from Viswanadham Vithala	0.00	[.]
June 22, 2013	484	10	150	Cash	Transferred from Madhuben P Parikh and Sachin P. Parikh	0.00	[.]
July 12, 2013	700	10	150	Cash	Transferred from Sharad D. Mehta and Manorama S. Mehta	0.01	[.]
July 12, 2013	800	10	150	Cash	Transferred from Piyush Kantilal Gandhi (HUF)	0.01	[.]
January 29, 2014	1,000	10	165	Cash	Transferred from Manorama S Mehta and Sharad D. Mehta	0.01	[.]
June 24, 2014	1,000	10	170	Cash	Transferred from Sharad Dhirajlal Mehta and Manorama Sharad Mehta	0.01	[.]
June 18, 2016	(6,000)	10	Nil	N.A	Transferred to Pankil Nishith Dharia and Kinjal Pankil Dharia	(0.05)	[.]
June 18, 2016	(4,600)	10	Nil	N.A	Transferred to Pankil Nishith Dharia and Kinjal Pankil Dharia	(0.04)	[.]
June 18, 2016	6,000	10	Nil	N.A	Transferred from Pankil Nishith Dharia and Nishith Rasiklal Dharia	0.05	[.]
June 18, 2016	1,313	10	400	Cash	Transferred from Sundeep Navinchandra Parikh and Sheetal Sandeep Parikh	0.01	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
June 18, 2016	1,420	10	400	Cash	Transferred from Navinchandra C- Parikh (HUF)	0.01	[.]
June 18, 2016	1,000	10	400	Cash	Transferred from Sundeep Navinchandra Parikh (HUF)	0.01	[.]
June 18, 2016	1,015	10	400	Cash	Transferred from Tushar R. Parikh and Suketu Navinchandra Parikh	0.01	[.]
June 18, 2016	4,600	10	Nil	N.A	Transferred from Pankil Nishith Dharia and Sonal Nishith Dharia	0.04	[.]
July 2, 2016	16,129	10	400	Cash	Transferred from Hina Asit Dharia and Asit Rasiklal Dharia	0.14	[.]
July 15, 2016	500	10	400	Cash	Transferred from Lina Suketu Parikh and Suketu Navinchandra Parikh	0.00	[.]
July 15, 2016	1,650	10	400	Cash	Transferred from Priyal Suketu Parikh, Suketu Navinchandra Parikh and Lina Suketu Parikh	0.01	[.]
July 15, 2016	1,721	10	400	Cash	Transferred from Suketu Navinchandra Parikh and Lina Suketu Parikh	0.01	[.]
August 18, 2016	23	10	400	Cash	Transferred from Sandeep Navinchandra Parikh (HUF)	0.00	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 50,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 2,50,000 Equity Shares of face value of ₹ 2 each							
January 15, 2022	(2,45,000)	2	NA	Cash	Transferred to Nishith Rasiklal Dharia and Sonal Nishith Dharia	(0.42)	[.]
January 18, 2022	15,000	2	NA	Other than Cash	Bonus Issue	0.03	[.]
Total	**20,000**		**NA**	**NA**	**NA**	**0.03**	**[.]**
5. Nishith Rasiklal Dharia							
February 25, 1993	3,300	10	10	Cash	Further Issue	0.03	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
February 21, 1995*	10,000*	10	10*	Cash*	Further Issue*	0.09	[.]
March 16, 1995	4,870	10	10	Cash	Further Issue	0.04	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Sonal Ajay Modi	(0.01)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Ela Niranjan Modi	(0.01)	[.]
January 18, 1996	(1,500)	10	10	Cash	Transferred to Niranjan C Modi	(0.01)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Navinbhai Shah	(0.02)	[.]
January 18, 1996	(1,500)	10	10	Cash	Transferred to Ajay Niranjan Modi	(0.01)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Subhadra N. Shah	(0.02)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Bhavana Deepak Parikh	(0.02)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Parikh Renuka Vinod	(0.02)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Mehboob Akbar Shaikh	(0.01)	[.]
January 18, 1996	(300)	10	10	Cash	Transferred to Rasiklal B. Parikh	(0.00)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Kamlaben Shantilal Parikh	(0.01)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Madhukanta Babulal Mody	(0.01)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Pratima Deepak Mody	(0.02)	[.]
January 18, 1996	(500)	10	10	Cash	Transferred to Sejal Manish Gandhi	(0.00)	[.]
January 18, 1996	(500)	10	10	Cash	Transferred to Sharmistha Harshadkumar Gandhi	(0.00)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Sudeep Shantilal Mody	(0.01)	[.]
January 18, 1996	(1,000)	10	10	Cash	Transferred to Nikhil Jayantilal Mody	(0.01)	[.]
January 18, 1996	(1,150)	10	10	Cash	Transferred to Purnima Shahikant Dharia	(0.01)	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
January 18, 1996	(1,150)	10	10	Cash	Transferred to Paresh Rasiklal Parikh	(0.01)	[.]
January 18, 1996	9,000	10	10	Cash	Transferred from Chamak Jatin Parikh	0.08	[.]
February 23, 1996	33,100	10	10	Cash	Further Issue	0.29	[.]
November 8, 1996	(50)	10	10	Cash	Transferred to Purnima Shashikant Dharia and Shashikant Chimanlal Dharia	0.00	[.]
November 8, 1996	(50)	10	10	Cash	Transferred to Paresh Rasiklal Parikh and Hema Paresh Parikh	0.00	[.]
May 30, 1997	(2,000)	10	10	Cash	Transferred to Chandresh Jayantilal Vanjara	(0.02)	[.]
May 30, 1997	1,000	10	10	Cash	Transferred from Manish M Shah	0.01	[.]
May 30, 1997	1,000	10	10	Cash	Transferred from Manish M Shah	0.01	[.]
November 26, 1999	5,000	10	10	Cash	Transferred from Saralaben Rasiklal Parikh	0.04	[.]
March 17, 2000	36,260	10	10	Cash	Transferred from Sonal Nishith Dharia	0.31	[.]
June 16, 2000	7,500	10	10	Cash	Transferred from Induben Rasiklal Dharia	0.06	[.]
August 9, 2001	(11,970)	10	15	Cash	Transferred to Gaurang Natwarlal Parikh	(0.10)	[.]
September 13, 2001	5,000	10	15	Cash	Transferred from Satish Natvarlal Mody	0.04	[.]
March 7, 2002*	(5,679)*	10	30*	Cash*	Buy Back*	(0.05)	[.]
May 23, 2002	935	10	30	Cash	Transferred from Mehboob Akbar Shaikh	0.01	[.]
May 23, 2002	3,615	10	30	Cash	Transferred from Falguni Sunil Thakkar	0.03	[.]
May 23, 2002	5,607	10	30	Cash	Transferred from Falguni Sunil Thakkar	0.05	[.]
May 23, 2002	3,911	10	30	Cash	Transferred from Falguni Sunil Thakkar	0.03	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
August 8, 2002	7,050	10	30	Cash	Transferred from Vivid Exports Pvt. Ltd	0.06	[.]
August 8, 2002	20,000	10	30	Cash	Transferred from Bela Nitin Mody	0.17	[.]
August 8, 2002	20,000	10	Nil	N.A	Transferred from Nishith Rasiklal Dharia	0.17	[.]
August 8, 2002	(20,000)	10	Nil	N.A	Transferred to Nishith Rasiklal Dharia	(0.17)	[.]
September 29, 2003	(17,800)	10	30	Cash	Buyback	(0.15)	[.]
September 29, 2003	(1,500)	10	30	Cash	Buyback	(0.01)	[.]
September 29, 2003	(300)	10	30	Cash	Buyback	(0.00)	[.]
April 22, 2004	1,600	10	30	Cash	Transferred from Sanjay Parshotamdas Popli	0.01	[.]
August 5, 2004	450	10	30	Cash	Transferred from Pinkal Jasvant Parikh	0.00	[.]
August 5, 2004	50	10	30	Cash	Transferred from Chhayaben Ashwin Dharia	0.00	[.]
August 5, 2004	50	10	30	Cash	Transferred from Nutanben Ajay Dharia	0.00	[.]
July 14, 2005	1,500	10	40	Cash	Transferred from Reena S Vora	0.01	[.]
July 14, 2005	100	10	40	Cash	Transferred from Azeem S Suterwalla	0.00	[.]
July 14, 2005	100	10	40	Cash	Transferred from Amit Rajnikant Mody	0.00	[.]
July 14, 2005	200	10	40	Cash	Transferred from Minaxi Daxesh Kadakia	0.00	[.]
July 14, 2005	18,400	10	40	Cash	Transferred from Chamak Jatin Parikh	0.16	[.]
July 12, 2007	400	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.00	[.]
December 10, 2009	20,169	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.17	[.]
December 10, 2009	1,980	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.02	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
December 10, 2009	498	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.00	[.]
June 8, 2016	(9,880)	10	Nil	N.A.	Transferred to Nishith Rasiklal Dharia	(0.09)	[.]
June 8, 2016	(2,469)	10	Nil	N.A.	Transferred to Nishith Rasiklal Dharia	(0.02)	[.]
June 8, 2016	9,880	10	Nil	N.A.	Transferred from Nishith Rasiklal Dharia	0.09	[.]
June 8, 2016	2,469	10	Nil	N.A.	Transferred from Nishith Rasiklal Dharia	0.02	[.]
June 18, 2016	1,600	10	400	Cash	Transferred from Suketu Navinchandra Parikh (HUF)	0.01	[.]
June 18, 2016	670	10	400	Cash	Transferred from Suketu Navinchandra Parikh (HUF)	0.01	[.]
June 18, 2016	100	10	400	Cash	Transferred from Tushar R Parikh (HUF)	0.00	[.]
July 19, 2016	(24)	10	400	Cash	Transferred to Riddhi Mihir Kapadia and Nishith R. Dharia	0.00	[.]
August 18, 2016	488	10	400	Cash	Transferred from Sundeep Navinchandra Parikh (HUF)	0.00	[.]
August 18, 2016	3	10	400	Cash	Transferred from Lina Suketu Parikh and Suketu Navinchandra Parikh	0.00	[.]
September 29, 2016	(33)	10	400	Cash	Transferred to Gaurang Natwarlal Parikh and Tanvi Gaurang Parikh	0.00	[.]
May 26, 2017	10,000	10	425	Cash	Transferred from Pushpa Navinchandra Parikh and Sundeep Navinchandra Parikh	0.09	[.]
May 26, 2017	50,000	10	425	Cash	Transferred from Dipak M. Amarshi and Ushma D. Amarshi	0.43	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 2,00,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 10,00,000 Equity Shares of face value of ₹ 2 each							
January 15, 2022	2,45,000	2	2	N.A.	Transferred from Pankil Nishith Dharia and Kinjal Pankil Dharia by way of gift	0.42	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
January 18, 2022	37,35,000	2	NA	Other than Cash	Bonus Issue	6.44	[.]
Total	**49,80,000**		**NA**	**NA**	**NA**	**8.59**	**[.]**
6. Rakesh Gupta							
March 16, 1995	10,000	10	10	Cash	Further Issue	0.09	[.]
February 23, 1996	21,297	10	10	Cash	Further Issue	0.18	[.]
September 13, 2001	1,000	10	15	Cash	Transferred from Paresh Rasiklal Parikh	0.01	[.]
March 7, 2002*	(2,000) *	10	30*	Cash*	Buy back*	(0.02)	[.]
May 23, 2002	1,300	10	30	Cash	Transferred from Saloni S Thakkar	0.01	[.]
May 23, 2002	4,676	10	30	Cash	Transferred from Sunil Shantilal Thakkar	0.04	[.]
March 6, 2003	(9,400)	10	30	Cash	Transferred to Veenu Rakesh Gupta	(0.08)	[.]
March 6, 2003	(7,797)	10	30	Cash	Transferred to Veenu Rakesh Gupta	(0.07)	[.]
March 6, 2003	(12,100)	10	30	Cash	Transferred to Veenu Rakesh Gupta	(0.10)	[.]
September 29, 2003	(976)	10	30	Cash	Buyback	(0.01)	[.]
July 12, 2007	1,500	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.01	[.]
December 10, 2009	1,875	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.02	[.]
February 21, 2012	1,250	10	125	Cash	Rights Issue in the ratio of 4 shares for every 1 share held	0.01	[.]
February 21, 2012	6,040	10	125	Cash	Rights Issue in the ratio of 4 shares for every 1 share held	0.05	[.]
August 5, 2016	(4,688)	10	400	Cash	Transferred to Veenu Rakesh Gupta and Rakesh Gupta	(0.04)	[.]
August 5, 2016	(1,352)	10	400	Cash	Transferred to Bhisham Vedprakash Gupta and Raksha Bhisham Gupta	(0.01)	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
August 5, 2016	(625)	10	400	Cash	Transferred to Bhisham Vedprakash Gupta and Raksha Bhisham Gupta	(0.01)	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 10,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 50,000 Equity Shares of face value of ₹ 2 each							
January 18, 2022	1,50,000	2	NA	Other than Cash	Bonus Issue	0.26	[.]
Total	**2,00,000**		**NA**	**NA**	**NA**	**0.34**	**[.]**
7. Sachin Jatin Parikh							
March 16, 1995	1,000	10	10	Cash	Further Issue	0.01	[.]
February 23, 1996	3,250	10	10	Cash	Further Issue	0.03	[.]
March 7, 2002*	(278) *	10	30*	Cash*	Buy back*	(0.00)	[.]
July 31, 2003	500	10	30	Cash	Transferred from Shyamlal Kaushik Kothar	0.00	[.]
September 29, 2003	(622)	10	30	Cash	Buyback	(0.01)	[.]
July 25, 2006	300	10	40	Cash	Transferred from Upendra J Shah	0.00	[.]
January 4, 2007	150	10	50	Cash	Transferred from Brijmohan Maheshwari and Amarlata Maheshwari	0.00	[.]
February 2, 2007	800	10	50	Cash	Transferred from Reena Yusuf and Jigna Jatin Parikh	0.01	[.]
February 2, 2007	800	10	50	Cash	Transferred from Siraj Yusuf and Jigna J Parikh	0.01	[.]
July 12, 2007	1,600	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.01	[.]
July 12, 2007	300	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.00	[.]
December 10, 2009	3,650	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.03	[.]
February 21, 2012	1,530	10	125	Cash	Rights Issue in the ratio of 4 shares for every 1 share held	0.01	[.]
June 10, 2016	(1,123)	10	400	Cash	Transferred to Jatin Narendra Parikh and Chamak Jatin Parikh	(0.01)	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
June 15, 2016	(4,600)	10	400	Cash	Transferred to Chamak Jatin Parikh and Jatin N. Parikh	(0.04)	[.]
June 15, 2016	(2,500)	10	400	Cash	Transferred to Chamak Jatin Parikh and Jatin N. Parikh	(0.02)	[.]
June 15, 2016	(4,757)	10	400	Cash	Transferred to Chamak Jatin Parikh and Jatin N. Parikh	(0.04)	[.]
March 21, 2018	30,000	10	425	Cash	Transferred from Jatin Narendra Parikh and Chamak Jatin Parikh	0.26	[.]
January 21, 2021	10,000	10	1250	Cash	Transferred from Ami Tushar Dharia and Tushar Natverlal Dharia	0.09	[.]
January 21, 2021	60,000	10	1250	Cash	Transferred from Tushar Natverlal Dharia and Ami Tushar Dharia	0.52	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 1,00,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 5,00,000 Equity Shares of face value of ₹ 2 each							
January 18, 2022	15,00,000	2	NA	Other than Cash	Bonus Issue	2.59	[.]
Total	**2,000,000**		**NA**	**NA**	**NA**	**3.45**	**[.]**
8. Suketu Navinchandra Parikh							
February 23, 1996	3,750	10	10	Cash	Further Issue	0.03	[.]
January 7, 2000	1,500	10	10	Cash	Transferred from Sheetal Sandeep Parikh	0.01	[.]
January 7, 2000	1,000	10	10	Cash	Transferred from Navinchandra C. Parikh	0.01	[.]
January 7, 2000	6,300	10	10	Cash	Transferred from Navinchandra C. Parikh	0.05	[.]
March 7, 2002*	(817)*	10	30*	Cash*	Buy back*	(0.01)	[.]
May 23, 2002	2,000	10	30	Cash	Transferred from Sunil Shantilal Thakkar	0.02	[.]
September 29, 2003	(505)	10	30	Cash	Buy back	(0.00)	[.]
September 29, 2003	(1,528)	10	30	Cash	Buy back	(0.01)	[.]

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
July 12, 2007	750	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.01	[.]
July 12, 2007	2,150	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.02	[.]
July 12, 2007	1,400	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.01	[.]
July 12, 2007	550	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.00	[.]
November 6, 2007	(750)	10	80	Cash	Transferred to Parul Sanjiv Dharia and Sanjiv K. Dharia	(0.01)	[.]
November 6, 2007	(1,000)	10	80	Cash	Transferred to Parul Sanjiv Dharia and Sanjiv K. Dharia	(0.01)	[.]
December 10, 2009	1,243	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.01	[.]
December 10, 2009	2,463	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.02	[.]
February 21, 2012	750	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]
February 21, 2012	825	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]
February 21, 2012	1,640	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.01	[.]
May 26, 2016	(13,953)	10	Nil	N.A	Transferred to Suketu Navinchandra Parikh	(0.12)	[.]
May 26, 2016	13,953	10	Nil	N.A.	Transferred from Suketu Navinchandra Parikh	0.12	[.]
July 15, 2016	(1,721)	10	400	Cash	Transferred to Pankil Nishith Dharia and Kinjal Nishith Dharia	(0.01)	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 20,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 1,00,000 Equity Shares of face value of ₹ 2 each							
January 18, 2022	3,00,000	2	NA	Other than Cash	Bonus Issue	0.52	[.]
Total	**4,00,000**		**NA**	**NA**	**NA**	**0.69**	**[.]**
9. *Kunal Tushar Dharia*							

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
February 25, 1993	5,950	10	10	Cash	Further Issue	0.05	[.]
February 21, 1995*	9,800*	10	10*	Cash*	Further Issue*	0.08	[.]
March 16, 1995	10,000	10	10	Cash	Further Issue	0.09	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Dipika P Shah	(0.02)	[.]
January 18, 1996	(2,500)	10	10	Cash	Transferred to Biren Surendra Parikh	(0.02)	[.]
January 18, 1996	(500)	10	10	Cash	Transferred to Shaurin Nitin Parikh	(0.00)	[.]
January 18, 1996	(450)	10	10	Cash	Transferred to Nilam Nitin Parikh	(0.00)	[.]
February 23, 1996	32,700	10	10	Cash	Further Issue	0.28	[.]
March 7, 2002*	(3,426)*	10	30*	Cash*	Buy back*	(0.03)	[.]
May 23, 2002	6,926	10	30	Cash	Transferred from Nehal Naresh Thakkar	0.06	[.]
September 29, 2003	(8,400)	10	30	Cash	Buyback	(0.07)	[.]
July 12, 2007	11,900	10	50	Cash	Rights Issue in the ratio of 1 share for every 4 shares held*	0.10	[.]
December 10, 2009	14,875	10	60	Cash	Rights Issue in the ratio of 1 share for every 4 shares held	0.13	[.]
February 21, 2012	9,925	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.09	[.]
February 21, 2012	1,900	10	125	Cash	Rights Issue in the ratio of 2 shares for every 15 shares held	0.02	[.]
February 24, 2016	3,800	10	400	Cash	Transferred from Mansi Tushar Dharia	0.03	[.]
April 10, 2016	(3,800)	10	400	Cash	Transferred to Mansi Tushar Dharia	(0.03)	[.]
June 3, 2016	3,800	10	400	Cash	Transferred from Mansi Tushar Dharia, Tushar Natverlal Dharia and Ami Tushar Dharia	0.03	[.]
Pursuant to Shareholders' resolution dated December 08, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, 90,000 equity shares of ₹ 10 each held by our Promoter were sub-divided into 450,000 Equity Shares of face value of ₹ 2 each							

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share (₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)^	Percentage of post-Offer Equity Share capital of the Company (%)
January 18, 2022	1,350,000	2	NA	Other than Cash	Bonus Issue	2.33	[.]
Total	**1,800,000**		**NA**	**NA**	**NA**	**3.10**	**[.]**

^ *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 December 8, 2021.*

* *We have been unable to trace the complete set of corporate resolutions, and other records including share transfer forms and buyback forms, in relation to the build-up of shareholding of our Promoters. Accordingly, disclosures have been made in reliance of (i) share transfer registers, allotment resolutions, lists of allottees, corporate resolutions, as available, and (ii) certificate dated April 13, 2022 from Devendra V Deshpande, Practicing Company Secretary. Please also see "Risk Factors – Our Company was incorporated in 1992 and some of our corporate records relating to changes in the share capital of our Company, allotments made by our Company, buy-back of equity shares and transfers, acquisitions of Equity Shares made by our Promoters, and appointment /re-appointment of Directors, are not traceable" on page 45.*

Except as disclosed in *"Notes to Capital Structure – Share Capital History of the Company.",* all the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

Except as disclosed below, our Promoters, the members of the Promoter Group do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

S No.	Name of shareholder	Pre-Offer equity share capital		Post-Offer equity share capital	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital	Number of Equity Shares	Percentage of total post-Offer paid up Equity Share capital
Promoters (held as first holders)					
1.	Dhaval Nalin Parikh*	1,800,000	3.10	[●]	[●]
2.	Gaurang Natwarlal Parikh*	5,200,000	8.97	[●]	[●]
3.	Nishith Rajnikant Shah*	100,000	0.17	[●]	[●]
4.	Pankil Nishith Dharia*	20,000	0.03	[●]	[●]
5.	Rakesh Gupta*	200,000	0.34	[●]	[●]
6.	Sachin Jatin Parikh*	2,000,000	3.45	[●]	[●]
7.	Suketu Navinchandra Parikh*	400,000	0.69	[●]	[●]
8.	Kunal Tushar Dharia*	1,800,000	3.10	[●]	[●]
9.	Nishith Rasiklal Dharia*	4,980,000	8.59	[●]	[●]
	Total	**165,00,000**	**28.45**		
Promoter Group (held as first holders)					
1.	Sandhya Nishith Shah*	40,20,000	6.93	[●]	[●]
2.	Anvi Nishith Shah*	5,00,000	0.86	[●]	[●]
3.	Usha Rajnikant Shah*	74,80,000	12.90	[●]	[●]
4.	Tanvi Gaurang Parikh*	2,00,000	0.34	[●]	[●]
5.	Gaurang Natwarlal Parikh HUF	10,00,000	1.72	[●]	[●]
6.	Suhagi Dhaval Parikh*	4,00,000	0.69	[●]	[●]
7.	Dipti Nalin Parikh*	42,00,000	7.24	[●]	[●]
8.	Nihir Nalin Parikh*	18,00,000	3.10	[●]	[●]
9.	Janhavi Nihir Parikh*	2,00,000	0.34	[●]	[●]
10.	Kinjal Pankil Dharia*	8,00,000	1.38	[●]	[●]
11.	Sonal Nishith Dharia*	20,79,000	3.59	[●]	[●]
12.	Riddhi Mihir Kapadia*	20,000	0.03	[●]	[●]
13.	Shruti Sachin Parikh*	2,00,000	0.34	[●]	[●]
14.	Jignasha Jay Kantawala*	6,00,000	1.03	[●]	[●]
15.	Chamak Jatin Parikh*	13,00,000	2.24	[●]	[●]
16.	Jatin Narendra Parikh*	13,00,000	2.24	[●]	[●]
17.	Veenu Rakesh Gupta*	10,00,000	1.72	[●]	[●]
18.	Raksha Bhisham Gupta*	4,00,000	0.69	[●]	[●]
19.	Bhisham Kumar Gupta*	32,00,000	5.52	[●]	[●]
20.	Ami Tushar Dharia*	10,00,000	1.72	[●]	[●]
21.	Tushar Natverlal Dharia*	24,00,000	4.14	[●]	[●]
22.	Tushar Natverlal Dharia HUF	12,00,000	2.07	[●]	[●]
23.	Pushpa Navinchandra Parikh *	4,00,000	0.69	[●]	[●]
24.	Sundeep Navinchandra Parikh *	4,00,000	0.69	[●]	[●]
25.	Lina Suketu Parikh*	4,00,000	0.69	[●]	[●]
26.	Sheetal Sandeep Parikh*	4,00,000	0.69	[●]	[●]
27.	Sonal Dharia Family Trust	1,000	Negligible	[●]	[●]
	Total	**3,69,00,000**	**63.62**		

**Held jointly with certain other Shareholders.*

For details of the equity shares acquired by our Promoters in the one year and three years immediately preceding the date of this Draft Red Herring Prospectus, please see *"- Build-up of our Promoters' shareholding in our Company*" on page 96.

Except as disclosed below, none of the members of our Promoter Group and the Selling Shareholders have acquired any Equity Shares of our Company in the one year and three years immediately preceding the date of this Draft Red Herring Prospectus (as first holders, as applicable):

Name of acquirer*	Date of acquisition/ allotment / transfer	Face Value (₹)	No. of equity shares acquired/ allotted	Acquisition price per equity share (including securities premium) (₹)
Promoter Group (other than Promoters)				
Heta Tushar Parikh	June 14, 2021	10	40,000	NIL
	January 18, 2022	2	750,000	NIL
Namita Tushar Parikh	June 14, 2021	10	40,000	NIL
	January 18, 2022	2	750,000	NIL
Shruti Sachin Parikh	January 14, 2022	2	25,000	250
	January 14, 2022	2	25,000	250
	January 18, 2022	2	150,000	NIL
Sonal Nishith Dharia	January 15, 2022	2	420,000	NIL
	January 18, 2022	2	1,560,000	NIL
Tushar Natverlal Dharia	January 15, 2022	2	350,000	NIL
	January 18, 2022	2	1,800,000	NIL
Anvi Nishith Shah	January 15, 2022	2	125,000	NIL
	January 18, 2022	2	375,000	NIL
Usha Rajnikant Shah	January 15, 2022	2	5,000	250
	January 18, 2022	2	5,415,000	NIL
	January 31, 2022	2	260,000	NIL
Ami Tushar Dharia	January 18, 2022	2	750,000	NIL
Bhisham Vedprakash Gupta	January 18, 2022	2	2,400,000	NIL
Chamak Jatin Parikh	January 18, 2022	2	975,000	NIL
Deepak Mangalshi Amarshi	January 18, 2022	2	1950,000	NIL
Dipti Nalin Parikh	January 18, 2022	2	3,150,000	NIL
Gaurang Natwarlal Parikh (HUF)	January 18, 2022	2	750,000	NIL
Janhavi Nihir Parikh	January 18, 2022	2	150,000	NIL
Jatin Narendra Parikh	January 18, 2022	2	975,000	NIL
Jignasha Jay Kantawalla	January 18, 2022	2	450,000	NIL
Kinjal Pankil Dharia	January 18, 2022	2	600,000	NIL
Lina Suketu Parikh	January 18, 2022	2	300,000	NIL
Nihir Nalin Parikh	January 18, 2022	2	1,350,000	NIL
Pushpa N Parikh	January 18, 2022	2	300,000	NIL
Raksha Bhisham Gupta	January 18, 2022	2	300,000	NIL
Riddhi Mihir Kapadia	January 18, 2022	2	15,000	NIL
Sandhya Nishith Shah	January 18, 2022	2	3,015,000	NIL
Sheetal Suketu Parikh	January 18, 2022	2	300,000	NIL
Suhagi Dhaval Parikh	January 18, 2022	2	300,000	NIL
Sundeep Navinchandra Parikh	January 18, 2022	2	300,000	NIL
Tanvi Gaurang Parikh	January 18, 2022	2	150,000	NIL
Tushar Natwarlal Dharia (HUF)	January 18, 2022	2	900,000	NIL
Veenu Rakesh Gupta	January 18, 2022	2	750,000	NIL
Sonal Dharia Family Trust	March 10, 2022	2	1,000	NIL
Selling Shareholders				
Heta Tushar Parikh	June 14, 2021	10	40,000	NIL
	January 18, 2022	2	750,000	NIL
Namita Tushar Parikh	June 14, 2021	10	40,000	NIL
	January 18, 2022	2	750,000	NIL
Sonal Nishith Dharia	January 15, 2022	2	420,000	NIL
	January 18, 2022	2	1,560,000	NIL
Tushar Natverlal Dharia	January 15, 2022	2	350,000	NIL
	January 18, 2022	2	1,800,000	NIL
Usha Rajnikant Shah	January 15, 2022	2	5,000	250
	January 18, 2022	2	5,415,000	NIL
	January 31, 2022	2	260,000	NIL
Ami Tushar Dharia	January 18, 2022	2	750,000	NIL
Bhisham Vedprakash Gupta	January 18, 2022	2	2,400,000	NIL
Chamak Jatin Parikh	January 18, 2022	2	975,000	NIL

Name of acquirer*	Date of acquisition/ allotment / transfer	Face Value (₹)	No. of equity shares acquired/ allotted	Acquisition price per equity share (including securities premium) (₹)
Deepak Mangalshi Amarshi	January 18, 2022	2	1,950,000	NIL
Gaurang Natwarlal Parikh (HUF)	January 18, 2022	2	750,000	NIL
Janhavi Nihir Parikh	January 18, 2022	2	150,000	NIL
Jignasha Jay Kantawala	January 18, 2022	2	450,000	NIL
Kinjal Pankil Dharia	January 18, 2022	2	600,000	NIL
Lina Suketu Parikh	January 18, 2022	2	300,000	NIL
Nihir Nalin Parikh	January 18, 2022	2	1,350,000	NIL
Pushpa N Parikh	January 18, 2022	2	300,000	NIL
Raksha Bhisham Gupta	January 18, 2022	2	300,000	NIL
Sandhya Nishith Shah	January 18, 2022	2	3,015,000	NIL
Sheetal Suketu Parikh	January 18, 2022	2	300,000	NIL
Suhagi Dhaval Parikh	January 18, 2022	2	300,000	NIL
Sundeep Navinchandra Parikh	January 18, 2022	2	300,000	NIL
Tushar Natwarlal Dharia (HUF)	January 18, 2022	2	900,000	NIL
Veenu Rakesh Gupta	January 18, 2022	2	750,000	NIL
Dipti Nalin Parikh	January 18, 2022	2	3,150,000	NIL

**As first holder.*

Except as disclosed above, none of the members of the Promoter Group, our Directors and 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.

There are no shareholders who are entitled to nominate directors or have any other special rights.

12. **Details of Promoter's contribution and lock-in**

a) Pursuant to Regulations 14 and 16 (1) 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, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of eighteen months as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. For details of objects of the Offer, see "*Objects of the Offer*" at page 128.

b) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below*:

Name of the Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)
	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]				[●]	[●]	[●]

**To be included in the Prospectus.*

c) Our Promoters have given consent to include such number of Equity Shares held by them (as first holder) as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Minimum Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of 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.

For details on the build – up of the Equity Share capital held by our Promoters, see *"Capital Structure – Build-up of Promoters' shareholding in our Company"* on page 96.

d) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, please note that:

(i) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and involving any revaluation of assets or capitalisation of intangible assets in such transaction, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.

(ii) The Minimum Promoter's 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 one or more partnership firms or of a limited liability partnership firm into a Company.

13. **Details of equity share capital locked-in for six months**

Pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Company (including those Equity Shares held by our Promoters in excess of the Minimum Promoter's Contribution) shall be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares Allotted pursuant to the Offer for Sale; (ii) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been allotted to them under an employee stock option scheme, prior to the Offer, except as required under applicable law, (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders, and (iv) as otherwise permitted under the SEBI ICDR Regulations. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

14. **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 the following manner: There shall be a lock-in of 90 days from the date of Allotment on 50% of the Equity Shares Allotted to the Anchor Investors, and a lock-in of 30 days from the date of Allotment on the remaining 50% of the Equity Shares Allotted to the Anchor Investors.

15. **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.

16. **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 granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit taking housing finance company, subject to the following:

(i) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months 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 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, in the hands of such transferee, for the remaining period and compliance with provisions of the 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 six months, 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 in the hands of such transferee and compliance with the applicable provisions of the Takeover Regulations.

17. 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 qualified institutional placement, or by way of further public issue of Equity Shares, or otherwise.

18. Except as disclosed above, none of the members of the Promoter Group, our Promoters, and / or our Directors and 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. For details of acquisitions by our Promoters and members of the Promoter Group during the period, please see "*Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoters (including the Promoter Selling Shareholders) and members of the Promoter Group*" on page 123.

19. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, and / or 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.

20. All Equity Shares issued 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, their respective associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The BRLMs, their respective associates 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. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and the members of the Promoter Group during the period between the date of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

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

24. There are no warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

25. The Offer is being made through the Book Building Process in terms of 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 QIBs, provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being transferred from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 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 (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 Net QIB Portion for proportionate allocation to QIBs. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which (i) one third shall be reserved for applicants with application size more than ₹0.2 million and up to ₹1 million and (ii) two-thirds shall be reserved for applicants with application size more ₹ 1 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non – Institutional Bidders) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of RIBs using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Banks 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 further details, see "*OfferProcedure*" on page 378.

26. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

28. Except to the extent of the Offer for Sale by the Promoter Selling Shareholders and Promoter Group Selling Shareholders, none of the members of our Promoter Group will participate in the Offer.

29. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group or Group Company, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

30. Neither the (i) BRLM or any associate of the BRLM (other than mutual funds sponsored entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

31. Our Company has not undertaken any public issue of securities since its incorporation. Other than as disclosed in "*Notes to the Capital Structure – Share capital history of our Company*", our Company has not undertaken any rights issue of any kind or class of securities since its incorporation.

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OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Other than the listing fees for the Offer which will be borne by our Company, and the fees and expenses of the legal counsel and the chartered accountants to the Selling Shareholders, which will be borne by the Selling Shareholders, all expenses in respect of the Offer will be shared amongst our Company and the Selling Shareholders, on a *pro rata* basis, in proportion to the Equity Shares issued and Allotted by our Company in the Fresh Issue and the respective portion of the Offered Shares sold by each Selling Shareholder in the Offer for Sale, in accordance with applicable law.

For details in relation to the Selling Shareholders and their respective Offered Shares, please see "Annexure A".

Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, or in case the Offer is withdrawn or not completed for any reason whatsoever, other than the listing fees, as applicable, each Selling Shareholder shall jointly and severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder, on a *pro rata* basis, in proportion to their respective portion of the Offered Shares.

Fresh Issue

Requirement of funds

We propose to utilise the net proceeds of the Fresh Issue ("**Net Proceeds**") towards the following objects:

1. Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company;

2. Funding working capital requirements of our Company; and

3. General corporate purposes.

   (collectively, referred to as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables our Company to (i) to undertake its existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

In addition, our Company expects to achieve the benefits of listing of the Equity Shares on the Stock Exchanges.

Proceeds of the Fresh Issue

The details of the proceeds from the Fresh Issue are set forth below:

(In ₹ million)

Particulars	**Amount(1)**
Gross Proceeds of the Fresh Issue	2,500.00*
(Less) Offer related expenses in relation to the Fresh Issue**	[●]
Net Proceeds**	**[●]**

(1) *Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

* *Subject to full subscription of the Fresh Issue.*

** *To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

(In ₹ million)

Particulars	Amount
Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company	1,600.00
Funding working capital requirements of our Company	300.00
General corporate purposes*	[•]
Total**	[•]

** The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Fresh Issue.*
*** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Proposed Schedule of Implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of deployment of funds set forth in the table below:

(In ₹ million)

Particulars	Total estimated amount/ expenditure	Amount to be funded from Net Proceeds *	Estimated deployment of Net Proceeds in Fiscal 2023
Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company	1,600.00	1,600.00	1,600.00
Funding working capital requirements of our Company	1,429.62	300.00	300.00
General corporate purposes*	[●]	[●]	[●]
Total*	[●]	[●]	[●]

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds from the Fresh Issue.*

We propose to deploy the Net Proceeds towards the Objects in Financial Year 2023. However, if the Net Proceeds are not completely utilised for the objects stated above by the end of Financial Year 2023, such amounts will be utilised (in part or full) in subsequent periods, as determined by the Board of Directors, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as the timing of completion of the Offer, financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors – Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company*" on page 49.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity may be financed by surplus funds including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders, subject to compliance with applicable law. Further, if the actual utilisation towards any of the stated Objects is lower than the proposed deployment, the balance remaining may be utilised towards general corporate purposes, provided such amount will not exceed 25% of the Net Proceeds from the Fresh Issue, if any, available in respect of the other Objects for which funds are being raised in this Offer, in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under *"Objects of the Offer – General Corporate Purposes" on* page 137.

Details of the Objects of the Offer

1. Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The outstanding loan facilities entered into by our Company include borrowing in the form of, *inter alia*, term loans and working capital facilities including fund based and non-fund based borrowings. For further details, see "*Financial Indebtedness*" on page 349. Our Company proposes to utilise an estimated amount of ₹ 1,600.00 million from the Net Proceeds towards part or full repayment and/or pre-payment of certain borrowings availed by us. Our Company may avail further loans and/ or draw down further funds under existing loans from time to time.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment or avail of additional credit facilities. Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 1,600.00 million. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness and debt servicing costs, improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the since our debt-equity ratio will improve significantly, it will enable us to raise further resources at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

As on December 31, 2021, the aggregated outstanding borrowings of our Company amounted to ₹ 2,792.92 million. The following table provides the details of outstanding borrowings availed by our Company, any of which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

Sr. No.	Name of the lender	Nature of borrowing	Amount sanctioned (In ₹ million)	Principal amount outstanding as on December 31, 2021 (In ₹ million)**	Rate of Interest (p.a)	Re-payment Date/ Schedule	Pre-payment penalty	Purpose*
1.	DBS Bank India Limited	Foreign currency demand loan (sublimit of working capital facility)	575.00	52.03	1.40%	To be repaid as per the terms of the sanction of the facility	No prepayment penalty	Working capital
2.				52.03	1.35%			
3.				46.47	1.33%			
4.	Citicorp Finance Limited	Working capital facility	100.00	100.00	6.15%	To be repaid as per the terms of the sanction of the facility	No prepayment penalty	Working capital
5.		Term Loan	120.00	60.00	8.65%	20 quarterly instalments from July 2019 to April 2024	Prepayment penalty is at the rate of 2% plus applicable taxes on the amount prepaid at the discretion of Citicorp Finance Limited	Towards capital expenditure
6.	Citibank N.A	Working capital facility	565.00	200.00	6.10%	To be repaid as per the terms of the sanction of the facility	No prepayment penalty	Working capital
7.				25.33	10.00%	Repayable on demand	No prepayment penalty	
8.	HDFC Bank Limited	Working capital facility	400.00	80.00	6.10%	To be repaid as per the terms of the sanction of the facility	No prepayment penalty	Working capital
9.				1.43	8.60%			
10.				3.80	7.50%	Repayable on demand	No prepayment penalty	
11.	HDFC Bank Limited	Term Loan	110.00	12.92	8.60%	17 quarterly instalments from June 2018 to June 2022	2% plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure
12.			170.00	93.52	8.60%.	20 quarterly instalments from October 2019 to July 2024	2% plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure
13.			320.00	224.00	7.05%	20 quarterly instalments from August 2020 to April 2025	2% plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure

Sr. No.	Name of the lender	Nature of borrowing	Amount sanctioned (In ₹ million)	Principal amount outstanding as on December 31, 2021 (In ₹ million)**	Rate of Interest (p.a)	Re-payment Date/ Schedule	Pre-payment penalty	Purpose*
14.			90.00	58.50	7.50%	20 quarterly instalments from May 2020 to February 2025	2%plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure
15.			100.00	80.00	7.55%	20 quarterly instalments from March 2021 to December 2025	2% plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure
16.			140.00	23.33	7.40%	12 Monthly instalments from March 2021 to February 2022	2% p.a. plus applicable taxes on the amount prepaid	Towards meeting Business and vendor payment/Reimbursement of capital expenditure
17.			136.00	50.60	6.15%	20 quarterly instalments from January 2023 to October 2027	2% plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure
18.			264.00	39.83	6.15%	20 quarterly instalments from January 2023 to October 2027	2% plus applicable taxes on foreclosure till 3 years from date of disbursement. No penalty thereafter if prepaid through internal accrual / own funds.	Towards capital expenditure
19.	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	200.00	64.00	8.00%	65 monthly Instalments from October 2018 to February 2024	Prepayment will be subject to funding penalties at the Bank's discretion, however, any prepayment done on interest reset dates shall not attract any penalties.	Towards capital expenditure
20.				6.13	8.15%.			
21.	Kotak Mahindra Bank Limited	Term Loan	150.00	38.36	6.10%	20 quarterly instalments from March 2023 to December 2027	2% plus applicable taxes on prepayment till 3 years of completion. No penalty after completion of 3 years.	Towards capital expenditure
22.			200.00	52.80	8.90%	15 quarterly instalments from October 2019 to June 2023	2% plus applicable taxes on the outstanding loan amount on foreclosure prior to completion of 3	Towards capital expenditure

Sr. No.	Name of the lender	Nature of borrowing	Amount sanctioned (In ₹ million)	Principal amount outstanding as on December 31, 2021 (In ₹ million)**	Rate of Interest (p.a)	Re-payment Date/ Schedule	Pre-payment penalty	Purpose*
							years tenor of the facility. No penalty after completion of 3 years.	
23.	Kotak Mahindra Bank Limited	Working capital facility	400.00	235.00	6.10%	To be repaid as per the terms of the sanction of the facility	No prepayment penalty	Working capital
Total		**4,040.00**	**1,600.08**					

** In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Company has obtained a certificate dated April 13, 2022 from the Statutory Auditors certifying that the borrowings have been utilised towards the purposes for which such borrowings were availed.*

*** The amount outstanding as at December 31, 2021 excludes interest accrued.*

Our Company may consider the following factors for identifying the loans that will be repaid out of the Net Proceeds: (i) costs, expenses and charges relating to the facility including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation of the facility; (iv) levy of any prepayment penalties and the quantum thereof; (v) provisions of any law, rules, regulations governing such borrowings; (vi) terms of pre-payment to lenders, if any; (vii) mix of credit facilities provided by lenders; and (viii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Financing facilities of our Company provide for the levy of prepayment penalty. In the event that there are any prepayment penalties required to be paid under the terms of relevant financing agreement, such prepayment penalties shall be paid by our Company out of the Net Proceeds. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds. In case we are unable to raise the Offer Proceeds till the due date for repayment of any of the above mentioned portion of the loans, the funds earmarked for such repayment may be utilised for payment of future instalments of the above mentioned loan or other loan for an amount not more than the amount mentioned above.

The amounts outstanding under the borrowing facilities may be dependent on various factors and may include intermediate repayments and drawdowns. Accordingly, it may be possible that amount outstanding under the borrowing facilities may vary from time to time. We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations as set out above.

For the purposes of the Offer, our Company has intimated and has obtained necessary consents from its lenders, as is respectively required under the relevant loan documentation for undertaking activities in relation to this Offer, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, amendment to the Articles of Association of our Company, etc.

2. Funding the working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from our internal accruals, financing from banks and financial institutions. As on December 31, 2021 our Company's working capital facilities consisted of an aggregate sanctioned fund based limit of ₹2,148.15 million and an aggregate sanctioned non-fund based limit of ₹827.00 million. Our Company requires additional working capital for meeting the future demand for its products, for funding future growth requirements of our Company and for other business purposes, and the Net Proceeds deployed towards funding our working capital requirements are proposed to be utilised for the aforesaid purposes. For further details of our business, please see "*Our Business*" on page 192.

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

Set forth below are the details of our Company's existing working capital requirement as at December 31, 2021 and March 31, 2021, March 31, 2020 and March 31, 2019, derived from the Restated Financial Information:

Sr. No.	Particulars*	As at December 31, 2021 (₹ in million)*	As at March 31, 2021 (₹ in million)*	As at March 31, 2020 (₹ in million)*	As at March 31, 2019 (₹ in million)*
I.	**Current Assets**				
(a)	Inventories	1,097.25	810.75	585.33	678.46
(b)	Financial Assets				
(i)	Trade receivables	1,470.93	1,458.58	1,129.47	1,057.12
(ii)	Cash and cash equivalents	107.82	63.63	131.55	121.67
(iii)	Bank Balances other than (ii) above	2.39	2.30	2.11	1.53
(iv)	Loans	4.29	5.65	3.99	3.06
(a)	Other current assets	85.15	220.11	191.53	169.37
	Other financial Assets	1.04	-	-	-
(b)	Current Tax Assets (Net)	43.93	38.24	39.06	-
	Total current Assets (A)	**2,812.80**	**2,599.26**	**2,083.04**	**2,031.21**
II.	**Current Liabilities**				
(i)	Trade payables	1,419.15	1,566.17	1,289.90	1,101.18
(ii)	Other financial liabilities	299.81	337.93	373.23	179.82
(a)	Other current liabilities	193.48	213.17	139.65	162.99
(b)	Provisions	46.67	32.29	20.19	18.02
	Current Tax Liabilities (Net)	20.54	-	-	-
	Total current liabilities (B)	**1,979.65**	**2,149.56**	**1,822.97**	**1,462.01**

Sr. No.	Particulars*	As at December 31, 2021 (₹ in million)*	As at March 31, 2021 (₹ in million)*	As at March 31, 2020 (₹ in million)*	As at March 31, 2019 (₹ in million)*
III.	**Total working capital requirements (A-B)**	**833.15**	**449.70**	**260.07**	**569.20**
IV.	**Funding Pattern**				
(a)	Working Capital funding from Banks	819.41	449.70	203.93	353.49
(b)	Internal accruals	13.74	-	56.14	215.71
	Total working capital requirement	**833.15**	**449.70**	**260.07**	**569.20**

**As certified vide certificate dated April 13, 2022 from JMT and Associates, Chartered Accountants.*

On the basis of our existing working capital requirements, the details of our Company's expected working capital requirements and holding period, as approved by our Company's Board of Directors pursuant to a resolution dated April 9, 2022, are as provided below:

Sr. No.	Particulars*	Estimated amount as at March 31, 2023 (in ₹ million)*
I.	**Current Assets**	
(a)	Inventories	1,299.66
(b)	Financial Assets	
(i)	Trade receivables	2,520.55
(ii)	Cash and cash equivalents	157.53
(a)	Other current assets	409.59
(b)	Current Tax Assets (Net)	63.01
	Total Current Assets (A)	4,450.34
II.	**Current Liabilities**	
(i)	Trade payables	1,949.49
(ii)	Other financial liabilities	630.14
(a)	Other current liabilities	378.08
(b)	Provisions	63.01
	Total Current Liabilities (B)	3,020.72
III.	**Total working capital requirements (A-B)**	**1,429.62**

** As certified vide certificate dated April 13, 2022 from JMT and Associates, Chartered Accountants.*

The estimates of working capital requirements and proposed funding requirements for Fiscal 2023 as approved by the Board pursuant to a resolution dated April 9, 2022, are set forth below:

(in ₹ million)

Particulars	For Fiscal ended March 31, 2023 (Assumed)*
Working Capital Requirement	***1,429.62***
Funding Pattern	
Working Capital funding from Banks	830.00
Internal accruals	299.62
Net Proceeds	300.00
Total	**1,429.62**

** As certified vide certificate dated April 13, 2022 from JMT and Associates, Chartered Accountants.*

Key assumptions for working capital requirements

The table hereunder contains the holding period (with days rounded to the nearest number) and justifications for holding period levels on the basis of Restated Financial Information:

		No. of days				
Sr. No.	**Particulars**	**for the year ended March 31, 2019 (Actual)**	**for the year ended March 31, 2020 (Actual)**	**for the year ended March 31, 2021 (Actual)**	**for the nine months period ended December 31, 2021(Actual)***	**for the year ended March 31, 2023 (Assumed)**
1.	Inventories	63	59	64	70	60
2.	Trade receivables	77	78	89	64	80
3.	Cash and cash equivalents	9	9	4	5	5
4.	Other current assets	12	13	13	4	13

		No. of days				
Sr. No.	**Particulars**	**for the year ended March 31, 2019 (Actual)**	**for the year ended March 31, 2020 (Actual)**	**for the year ended March 31, 2021 (Actual)**	**for the nine months period ended December 31, 2021(Actual)***	**for the year ended March 31, 2023 (Assumed)**
5.	Current Tax Assets (Net)	0	3	2	2	2
6	Trade Payables	102	130	124	90	90
7	Other financial liabilities	13	26	21	13	20
8	Other current liabilities	12	10	13	8	12
9	Provisions	1	1	2	2	2

**Annualised*

Note: As certified vide certificate dated April 13, 2022 from JMT and Associates, Chartered Accountants.

Justifications for holding period levels:

Sr. No.	Particulars	Description
Current Assets		
1.	Inventories	Inventories amongst other things, include raw materials, work-in-progress, finished goods, semi-finished goods, stores and spares. Our inventory days for Fiscal 2019, Fiscal 2020, Fiscal 2021 and nine-months ended December 31, 2021 were in the range of 59-70 days. In order to ensure uninterrupted manufacturing and production, our Company anticipates inventory days at 60 days for Fiscal 2023. This will ensure that there is no supply chain disruption impacting the production.
2.	Trade receivables	Trade receivables are amount owed to Company by customers following sale of goods on credit. Our Trade Receivables for Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021 are in the range of 64-89 days. The collection cycle for our Company has been elongated in Fiscal 2021 due the COVID-19 pandemic situation and due to normalization of the situation, our Company anticipates trade receivable days at 80 days for Fiscal 2023.
3.	Cash and Cash Equivalents	Cash and cash equivalents include balances in current accounts and cash in hand. Historically, the holding levels of Cash and Cash Equivalents of our Company have ranged from 4-9 days for Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021. We anticipate this trend to continue and hence, we have assumed 5 days of holding period for Fiscal 2023.
4.	Other Current Assets	Other current assets primarily include excise duty/GST recoverable, balance with customs and excise, advance to suppliers, prepaid expenses and others. Historically, the holding levels of our Company for Other Current Assets have ranged from 4-13 days in Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021. Accordingly, we have assumed the holding period of 13 days for other current assets for Fiscal 2023.
5.	Current Tax Assets (Net)	Current tax Assets (net) include the advance tax paid after netting the provision of tax. Historically, the holding levels of our Company for Current Tax Assets (Net) have ranged from 0-3 days in the Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021. We anticipate this trend to continue and hence, we have assumed 2 days of holding period for Fiscal 2023.
Current Liabilities		
6.	Trade Payables	Trade payables include dues to micro and small enterprises and other creditors. Our trade payables for Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021 have been in the range of 90-130 days. The payment cycle for our Company has been elongated in Fiscal 2022 and Fiscal 2021 due the COVID-19 pandemic situation and due to normalization of the situation, our Company anticipates trade payable days at 90 days for Fiscal 2023.
7.	Other Financial Liabilities	Other financial liabilities include current maturities of long term borrowings, interest accrued and due on borrowings, financial instruments liabilities and creditors for capital items. Historically, the holding levels of our Company for Other Financial Liabilities have ranged from 13-26 days in the Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021. Accordingly, we have assumed the holding period of 20 days for other financial liabilities for Fiscal 2023.
8.	Other Current Liabilities	Other current liabilities include advance from customers, employee liabilities, statutory liabilities and liabilities for expenses. Historically, the holding levels of our Company for Other Current Liabilities have ranged from 8-13 days in the Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021. Accordingly, we have assumed the holding period of 12 days for other current liabilities for Fiscal 2023.
9.	Provisions	Provisions include provisions for employee benefits and other provisions. Historically, the holding levels of our Company for Provisions have ranged from 1-2 days in the Fiscal 2019, Fiscal 2020, and Fiscal 2021 and the nine month period ended December 31, 2021. We anticipate this trend to continue and hence, we have assumed 2 days of holding period for Fiscal 2023.

Note: As certified vide certificate dated April 13, 2022 from JMT and Associates, Chartered Accountants.

Our Company proposes to utilize up to ₹300 million from the Net Proceeds towards funding our working capital requirements. Our Company expects that the funding pattern for working capital requirements for Fiscal 2023 will comprise of working capital funding from banks, Net Proceeds and internal accruals.

The Board of Directors pursuant to its resolution dated April 9, 2022 has approved the working capital requirements of our Company. See "*Material Contracts and Documents for Inspection – Material Documents*" on page 410.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, but not limited to: (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate exigencies and contingencies; (v) capital expenditure; (vi) strengthening of our manufacturing and R&D capabilities; (vii) expenses of our Company; and (viii) any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.

Means of Finance

The funding requirements towards the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals, as prescribed under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. For further details, see "*Risk Factors – Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company*." on page 49. We may vary the Objects in the manner provided in "*Objects of the Offer – Variation in Objects*" on page 139.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Bankers to the Offer, including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. All Offer expenses will be shared, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, as mutually agreed and in accordance with applicable law. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, or in case the Offer is withdrawn or not completed for any reason whatsoever, other than the listing fees, as applicable, each Selling Shareholder shall jointly and severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder, on a *pro rata* basis, in proportion to their respective portion of the Offered Shares, in accordance with applicable law.

The break-up for the estimated Offer expenses is as below:

Activity	Estimated expenses(1) (₹ in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses			
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Banks and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding	[●]	[●]	[●]

Activity	Estimated expenses(1) (₹ in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs (2)(3)(4)(5)(6)			
Others (Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses, fees for the legal counsel, practicing company secretary, Statutory Auditor, Independent Chartered Engineer, and the Independent Chartered Accountant appointed for the purpose of the Offer etc.)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.*

(2) *Selling commission payable to the SCSBs on the portion of Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

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

No additional bidding charges shall be payable by the Company and Selling Shareholders to the SCSBs on the applications directly procured by them

(3) *Processing fees payable to the SCSBs on the portion for Retail Individual Bidder and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSB for blocking would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *For each valid application*

(4) *Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by Syndicate Member (including their sub Syndicate Members) would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

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

(5) *Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the Registered Brokers, RTAs/CDPs would be as follows:*

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

* *Based on valid applications.*

* *Amount of selling commission payable to Registered Brokers, RTAs/CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs/CDPs the commission is payable to, the terminal from which the bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable being maximum of ₹ [●] plus applicable taxes.*

(6) *The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows*

Payable to Members of the Syndicate including their sub-Syndicate Members)/ RTAs / CDPs	*₹[●] per valid application (plus applicable taxes)*
Sponsor Banks	*₹[●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Banks 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 the SEBI circulars, the Syndicate Agreement and other applicable laws.*

The processing fees for applications made by Retail Individual Investors using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or financial institutions.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a SEBI registered credit rating agency as the monitoring agency for monitoring the utilisation of the Gross Proceeds. Our Audit Committee and the monitoring agency will monitor the utilisation of the Offer Proceeds and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds, including interim, use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Offer Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Offer Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee. This information will also be uploaded onto our website.

Variation in Objects

In accordance with the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution (“**Postal Ballot Notice**”) shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the regional language of the jurisdiction where our Registered Office and Corporate Office is located. In accordance with the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors, our Key Managerial Personnel or our Group Company. Further, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Managerial Personnel or our Group Company. Our Company has not entered into and is not planning to enter into any arrangement/agreements with the Promoters, the Directors, the Key Managerial Personnel or the Group Company in relation to the utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, 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 Floor Price is [●] times the face value of Equity Shares and Cap Price is [●] times the face value of Equity Shares.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 192, 27, 244, and 335, 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:

1. Among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India;
2. Focus on research and development enabling diversified product portfolio and customised customer solutions;
3. Long standing relationships with a diversified customer base;
4. Strong global presence;
5. Focus on long term sustainability through various environmental friendly initiatives;
6. Experience of the Promoters and senior management team; and
7. Consistent financial performance.

For further details, see "*Our Business – Our Strengths*" on page 193.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Financial Information. For further details, see "*Financial Information*" on page 244.

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

As derived from the Restated Financial Information:

Financial Period	Basic EPS (in ₹)(1)	Diluted EPS (in ₹)(1)	Weight
Financial Year ended March 31, 2021	17.30	17.30	3
Financial Year ended March 31, 2020	26.05	26.05	2
Financial Year ended March 31, 2019	16.36	16.36	1
Weighted Average	**20.06**	**20.06**	
Nine months period ended December 31, 2021*	34.55	34.55	-

**Not annualised*

(1) *Basic EPS (₹) = Net Profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period.*

(2) *Diluted EPS (₹) = Net Profit/(loss) for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period. Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

(3) *Weighted average number of shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the Equity Shares are outstanding as a proportion of total number of days during the period.*

(4) *Pursuant to a resolution of the Shareholders dated December 06, 2021, there was a split in face value of equity share from ₹ 10 each to ₹ 2 each. This sub-division has been considered retrospectively for the purpose of calculation of the basic and diluted earnings per equity share.*

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 Financial Year ended March 31, 2021	[●]	[●]
Based on Diluted EPS for Financial Year ended March 31, 2021	[●]	[●]

* *To be updated in the Prospectus.*

3. Industry Peer Group P/E ratio

	Industry Peers	P/E Ratio
Highest		120.55
Lowest		31.95
Industry Composite		76.22

(1) *The industry high and low has been considered from the industry peer set provided later in this chapter under "Comparison with listed industry peers". The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*

(2) *P/E figures for the peers are based on market prices as on April 11, 2022 mentioned on NSE website as applicable.*

4. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of our Company:

Particulars	RoNW %	Weight
Financial Year ended March 31, 2021	13.92%	3
Financial Year ended March 31, 2020	24.31%	2
Financial Year ended March 31, 2019	19.97%	1
Weighted Average	**18.39%**	
Nine months period ended December 31, 2021*	21.83%	

**Not annualised*

(1) *Return on Net Worth (%) = Net profit / (loss) for the period / year as divided by Equity attributable to the owners of the Company, as at the end of the period / year.*

(2) *Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per Restated Consolidated Financial Information of Assets and Liabilities of the Company but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

5. Net Asset Value per Equity Share (face value of Rs 2 each)

Net Asset Value per Equity Share	(₹)
As on December 31, 2021	158.29
As on March 31, 2021	124.29
After the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

**Offer Price per Equity Share will be determined on conclusion of the Book Building Process and this is not derived from Restated Consolidated Financial Information.*

(1) *Net Asset Value per Equity Share = Equity attributable to owners of the Company divided by weighted average numbers of equity shares outstanding during the year.*

(2) *Pursuant to a resolution of the shareholders dated December 06, 2021, there was a split in face value of equity share from ₹ 10 each to ₹ 2 each. This sub-division has been considered retrospectively for the purpose of calculation of the Net Asset Value per Equity Share*

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Total income for Fiscal 2021 (₹ in million)	Face value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Prasol Chemicals Limited*	6,021.36	2	N.A.	17.30	17.30	13.92%	124.29
Listed peers#							
Atul Limited	38,345	10	45.67	221.17	221.17	17.11%	1,303.66
Aarti Industries Limited	45,068	5	31.95	30.04	30.04	14.89%	201.75
Fine Organic Industries Limited	11,503	5	107.94	39.25	39.25	16.45%	238.57
Neogen Chemicals Limited	3,366	10	120.55	13.45	13.45	17.12%	78.44

Name of the company	Total income for Fiscal 2021 (₹ in million)	Face value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Privi Speciality Chemicals Limited	12,965	10	68.56	29.93	29.93	16.18%	184.96
Laxmi Organic Industries Limited	17,731	2	82.65	5.59	5.58	12.28%	39.25

**Based on Restated Financial Information.*
Note: Financial Information of the Peer group companies has been sourced from the consolidated financial statements for the year ended March 31, 2021 as disclosed on the website of the Stock Exchanges.

(1) *Diluted EPS refers to the Diluted EPS sourced from the consolidated financial statements of the respective peer group companies for the year ended March 31, 2021.*

(2) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2021.*

(3) *P/E Ratio has been computed based on the closing market price of equity shares on NSE on April 11, 2022, divided by the Diluted EPS provided under Note 1 above.*

(4) *RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Closing net worth has been computed as sum of paid-up share capital and other equity as on March 31, 2021.*

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

The trading price of the Equity Shares could decline due to the factors mentioned in the *"Risk Factors"* on page 27 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

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

The Board of Directors
Prasol Chemicals Limited
Prasol House, Plot No. A - 17/2/3,
T. T. C. Industrial Area Khairane,
M. I. D. C. Thane Belapur Road,
Navi Mumbai- 400 710,
Maharashtra, India

Subject: Statement of possible Special Tax Benefits available to Prasol Chemicals Limited ("the Company") and its Shareholders under the Indian Tax Laws

1. We hereby confirm that the enclosed Annexures, prepared by Prasol Chemicals Limited, (the "**Company**") provides the Special Tax Benefits available to the Company and its Shareholders as stated in Annexure A and B, under the provisions of the Income Tax Act, 1961 (the " **IT Act**") as amended by the Finance Act, 2022 read with the Income Tax Rules, 1962, i.e. applicable for the financial year ended March 31, 2023 relevant to the assessment year 2023-24, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, relevant State Goods and Services Tax Act, read with rules, circulars, and notifications ("**GST Laws**"), the Customs Act, 1962, the Customs Tariff Act, 1975 ("**Customs Laws**") and Foreign Trade Policy 2015-2020 ("**FTP**") as amended by the Finance Act 2022 i.e., applicable for the financial year ended March 31, 2023, presently in force in India (together referred to as the " **Tax Laws**"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexures cover only Special Tax Benefits available to the Company and to the shareholders of the Company and do not cover any general tax benefits available to the Company and to the shareholders of the Company.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that 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 tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the equity shares of the Company (the "**Offer**").

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

   a. the Company or its shareholders will obtain/ continue to obtain these special tax benefits in future;

   b. the conditions prescribed for availing the special tax benefits have been / would be met with; or

   c. the revenue authorities/courts will concur with the views expressed herein

We assume no obligation to update the Annexures on any events subsequent to this date, which may have a material effect on the discussions herein.

5. The contents of the enclosed Annexures 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.

6. This statement is prepared solely in connection with the offering and is not to be used, referred to or distributed for any other purpose.

For S.V. Shanbhag & Co. **Chartered Accountants** Firm Registration No.: 109887W **Satish V Shanbhag** Partner Membership Number: 036889 UDIN: 22036889AGYWGC8780 Place: Kumta, Karnataka Date: April 13, 2022	**For C N K & Associates LLP** **Chartered Accountants** Firm Registration No.: 101961W/W-100036 **Himanshu Kishnadwala** Partner Membership Number: 037391 UDIN: 22037391AGYLDM7452 Place: Dubai Date: April 13, 2022 REF/CERT/VLP/21/22-23

ANNEXURE A

STATEMENT OF SPECIAL TAX BENEFITS

ANNEXURE TO REPORT ON THE STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Outlined below are the Special Tax Benefits available to the Company and its shareholders under the IT Act, as amended by Finance Act, 2021 i.e., applicable for Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

I. Special Tax benefits available to the Company

The Company is eligible to opt for and as representation obtained from the management, the Company has opted for the beneficial tax rate of 22% (plus applicable surcharge and cess, effectively 25.17%) as provided under Section 115BAA of the IT Act, subject to the condition that going forward it does not claim the deductions/losses as specified in Section 115BAA(2) of the IT Act and computes total income as per the provisions of Section 115BAA (2) of the IT Act. Proviso to Section 115BAA(5) provides that once the Company opts for paying tax as per Section 115BAA of the IT Act, such option cannot be subsequently withdrawn for the same or any other previous year The Company has exercised the option under this Section for the previous year relevant to the assessment year ending March 31, 2021 and subsequent assessment years.

II. Section 80JJAA of the IT Act: Deduction in respect of employment of new employees

In accordance with and subject to the conditions specified under Section 80JJAA of the IT Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred. Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year, which satisfy certain conditions. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA (as discussed above). The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to Section 80JJAA of the Act and satisfies the conditions mentioned in the section.

III. Special Tax benefits available to Shareholders

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

Notes: -

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above Statement covers only certain relevant benefits under IT Act read with relevant rules, circulars and notifications and does not cover any indirect tax law benefits or benefit under any other law.

3. The above Statement of possible tax benefits is as per the current IT Act read with relevant rules, circulars and notifications relevant for the assessment year ended March 31, 2024.

4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.

6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE B

STATEMENT OF SPECIAL TAX BENEFITS

ANNEXURE TO REPORT ON THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Outlined below are the special tax benefits available to the Company, and its shareholders under the GST Laws, the Customs Laws and FTP read with relevant rules, circulars, and notifications, issued thereunder (collectively referred as "**Indirect Tax Laws**").

I. Special tax benefits available to the Company

a. ***<u>Advance Authorization</u>***

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

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

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product - Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s).

b. ***<u>Export Promotion Capital Goods (EPCG) Scheme</u>***

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty.
The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

c. ***<u>Letter of Undertaking (LUT) under section 54 of CGST ACT 2017</u>***

Refund of unutilized ITC of Zero rated supplies made without payment of tax under export under LUT of section 54 of CGST Act 2017. The company is currently availing this tax benefit and will continue to avail the same on full filling the conditions stipulated under the said act.

d. ***<u>Scheme of Remission of Duties and Taxes on Exported Products</u>***

Duty credit scrips under Merchandise Export from India Scheme ("MEIS") covered in Chapter 3 –Exports from India Scheme in Foreign Trade Policy 2015-20 as extended till September 30, 2022. New scheme "RoDTEP" comes into force from January 1 2021, and replaces MEIS. However, benefit under this scheme is not extended to Exported Oriented Units. The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5% to 4%.

II. Special tax benefits available to the Shareholders

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

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company, and its shareholders under the Indirect Tax laws mentioned above.

2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefits under any other law.

3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes

SECTION IV – ABOUT OUR COMPANY

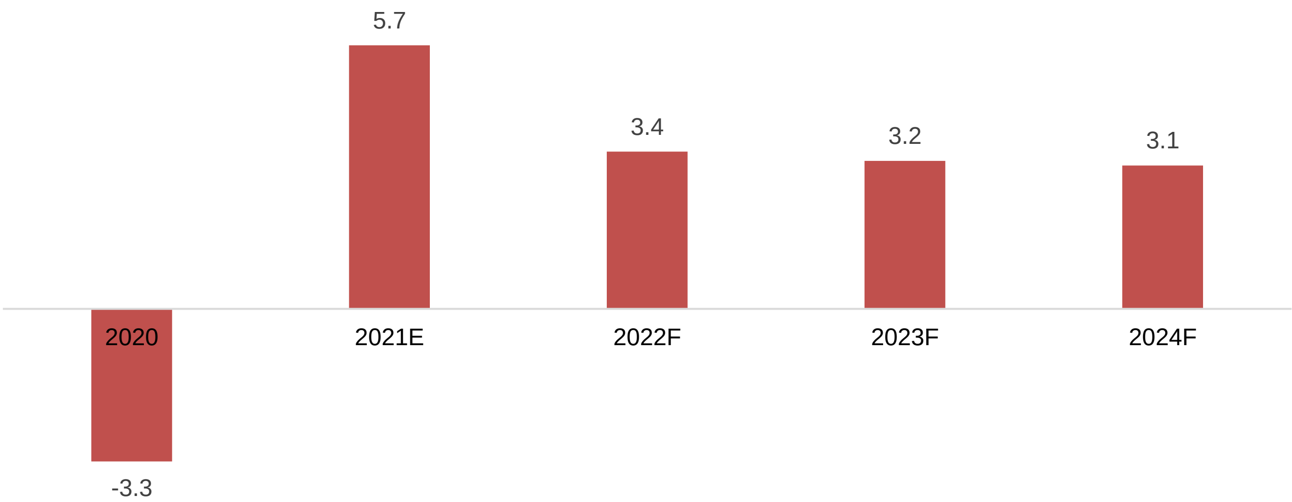
INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "*Assessment of the specialty chemicals industry in India*", issued in April 2022 and released by CRISIL ("**CRISIL Report**") exclusively commissioned and paid for, for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant year. For the disclaimers associated with the CRISIL Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Disclaimer of CRISIL*" on page 14. Also, see "*Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the CRISIL Report which have been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*" on page 48.

OVERVIEW OF THE GLOBAL GROSS DOMESTIC PRODUCT

The global gross domestic product (GDP) is estimated to have contracted -3.3% in calendar year (CY) 2020, according to S&P Global's Global Economic Outlook released in March 2021. The severe global recession was led by the pandemic, causing global output to decline about three times that during the global financial crisis in half the time. Global economic growth was expected to decelerate, and inflation accelerate in calendar 2022 even before the start of the Russia-Ukraine conflict. The conflict would only worsen the growth-inflation mix. According to S&P Global's preliminary prediction given on March 8, 2022, global growth will fall 70 basis points to 3.4 percent in 2022 and inflation to rise 210 bps to 5.1% (as compared to its November forecast).

Expected growth rate of global GDP (%)



Note: F – Forecast
Source: S&P Global Economics, Oxford Economics

INDIA MACROECONOMIC OVERVIEW

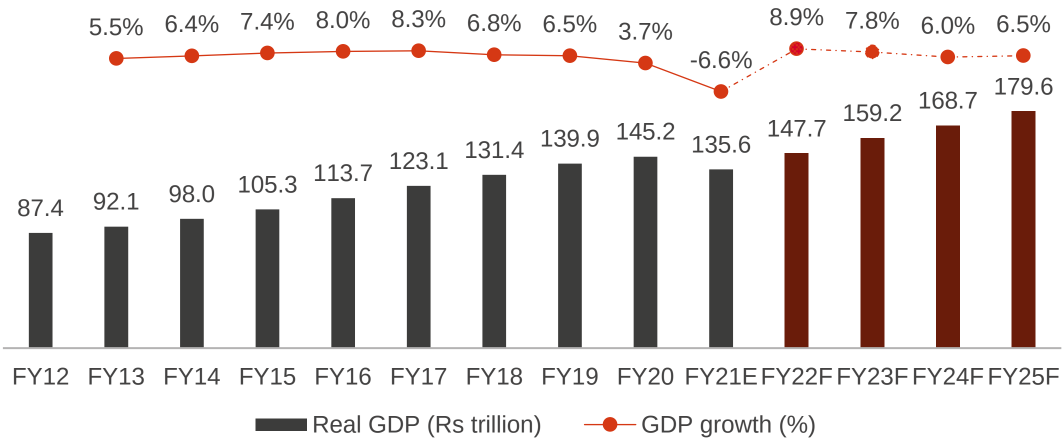
India's GDP estimated to grow at 7.8% in fiscal 2023

As per National Statistical Office estimate released on January 2022 country's real GDP shrunk a lower 6.6% in fiscal 2021 vs an earlier estimate of 7.3% contraction, released in May 2021.

As per the second advance estimates released by the National Statistical Office, India's real gross domestic product (GDP) is set to grow 8.9% in fiscal 2022, compared with 9.2% estimated in January. This is largely a reflection of a higher base (as the economy had shrunk 6.6% in fiscal 2021, less than 7.3% previously estimated). In fact, the estimate for fiscal 2022 real GDP in absolute terms at Rs 147.7 trillion is marginally higher than Rs 147.5 trillion estimated earlier, suggesting that the downside from the omicron variant of Covid-19 has proven to be mild so far.

With the third wave of Covid-19 (with minimal economic impact) behind us, we are looking at fewer supply disruptions from covid-19 and a fuller resumption of services activity in the coming fiscal. As a result, contact-intensive services, which still trail the pre-pandemic levels of fiscal 2020, could start contributing favourably to growth. But slower global growth and high commodity prices, especially that of oil, could put downward pressure on growth. Heightened geopolitical risks from the Russia-Ukraine conflict, which continues to intensify, could add more headwinds. For now, CRISIL maintains its real GDP growth projection for fiscal 2023 at 7.8%, with downside risks.

India's GDP trend



Note: E – Estimated; F – Forecasted
Source: CRISIL Research, CSO

Factors that will contribute to the rebound of economy are as follows:

Improving performance of contact-based services, which were hit the hardest

Uptick in exports owing to healthy global demand, as well as green shoots in private capital expenditure, especially in core industries such as steel and cement, and some push from the Production-Linked Incentive scheme in sectors such as pharmaceuticals, mobile and IT hardware. However, investments would still depend heavily on government capital expenditure
Continued easing of financial conditions in the Indian economy, with ample liquidity

Impact of Covid-19 on the Indian economy

The Indian economy was severely impacted in fiscal 2021, with rising unemployment, widening income inequality, sharp fall in household incomes, and declining consumption

However, the economy has recovered swiftly with the government utilising fiscal, monetary and health levers, and owing to healthy pace of vaccinations. While the global economy is estimated to have grown by 6.0% in 2021, the Indian economy is expected to expand 9.5% (fiscal 2022)

Large stimulus packages announced by developed countries and aggressive vaccination drives have helped Indian manufacturers increase their exports. India recorded its highest exports in July 2021, at $35.4 billion vs $23.7 billion and $26.2 billion in July 2020 and July 2019, respectively, due to higher global demand

On the domestic front, activity in many sectors, including agriculture, automobile, construction, and retail, has gained momentum; only a few high contact-based sectors, such as transport, tourism, and hospitality, remain weak. With most of the high-frequency indicators reaching pre-Covid-19 levels, consumer propensity to spend is increasing, as evident from the Goods and Services Tax (GST) collections, which stood at Rs 1.3 lakh crore in October 2021. Similarly, retail sales have recovered to pre-Covid-19 levels, with consumer durables, electronics, food, and groceries and quick-service restaurants reporting healthy growth. The automobile sector, which is constrained by production challenges, is expected to post a V-shaped recovery on account of a high order backlog

Speciality chemical segments, such as agrochemicals, personal and home care chemicals, pharma intermediates and performance chemicals, have seen a largely positive impact owing to factors such as increased end-use demand for hygiene products, sanitisers, disinfectants, detergents, and soaps, export demand, and government focus on the agriculture sector

Shutting down of Chinese plants has helped manufacturers in India to fill the void and increase order intakes. However, supply chain disruptions have caused procurement challenges for several manufacturers. Companies that rely on Chinese raw supplies face substantial logistical difficulties

Supply chain disruptions caused during the peak of pandemic has led to a 'China plus one' strategy among global companies. As these companies look to enhance supply chain resilience by diversifying manufacturing into other countries, India stands as an attractive option owing to its strategic location, large domestic market, skilled manpower, and low labour cost

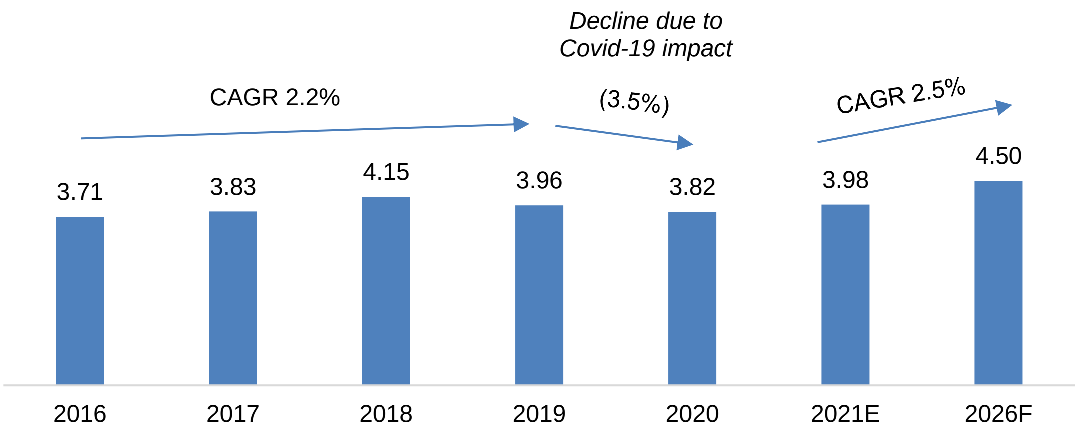
The Indian government has been focusing on making India an attractive investment destination for global companies through initiatives such as Atmanirbhar Bharat, Production Linked Incentive (PLI), etc to encourage domestic manufacturing. Also, India ranked 63rd in Doing Business 2020 among 190 countries.

OVERVIEW OF THE GLOBAL CHEMICALS AND SPECIALITY CHEMICALS INDUSTRIES

The global forecast for chemicals production is upbeat, particularly in China and emerging markets. Even though the chemicals sector shrank marginally during the peak of the pandemic, new opportunities are emerging because of changes in consumer demand and new technology. Asia-Pacific is the largest region in the global chemicals market, accounting for 55% of the market in 2021. Europe (including Russia) is the second largest, followed by North America, having accounted for 20% and 15% the global chemicals market, respectively, in 2021. Africa is the smallest region in the global chemicals market. Country-wise, China, Germany, Japan, and the US are leaders in the chemicals space.

Global chemicals industry overview

Global chemicals industry size ($ trillion)

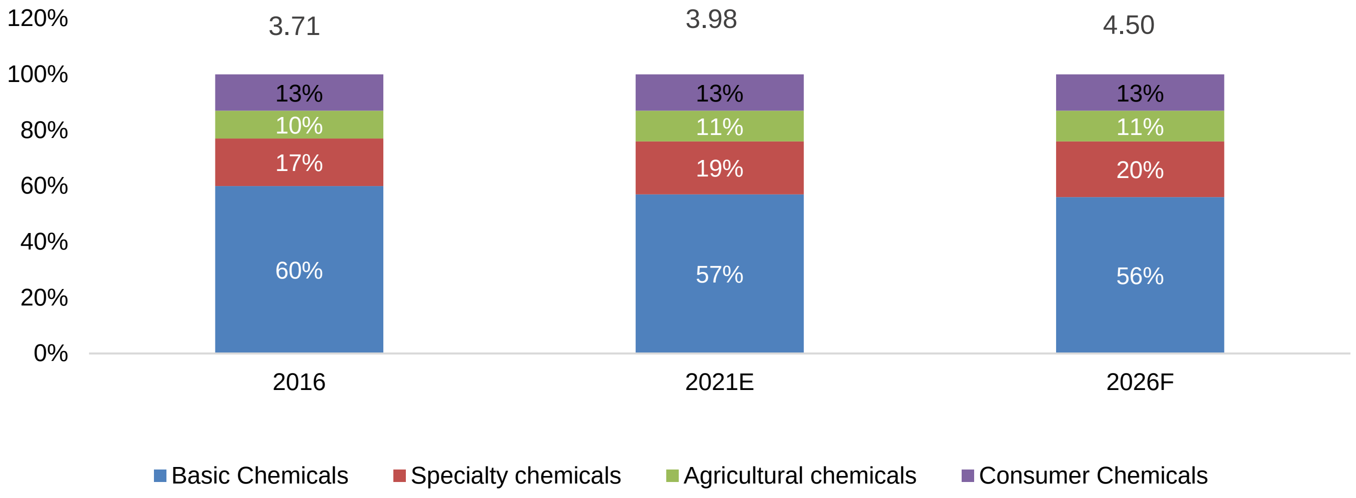


E: Estimated; F: Forecast
Note: Industry size excluding pharmaceuticals
Source: CRISIL Research

Chemical industry segmentation

Segments	Subsegments
Basic chemicals	Inorganic chemicals, bulk petrochemicals and intermediates, plastic resins, synthetic rubber, and manufactured fibres
Speciality chemicals	Agrochemicals, personal care ingredients, polymer additives, water chemicals, textile chemicals, construction chemicals, electronic chemicals, and others
Agricultural chemicals	Includes fertilisers
Consumer chemicals	Includes everything, from soaps and detergents to oral hygiene, and hair and skin care products to personal care products (e.g., cosmetics and deodorants)

Global chemicals industry segment-wise ($ trillion)



E: Estimated; F: Forecast
Source: CRISIL Research

India's rank in the global chemicals industry

The Indian chemicals industry accounts for ~3% of the global chemicals industry share. This ranks its sixth at the global level and fourth in Asia. Also, the country ranks eighth in global export of chemicals (excluding pharmaceutical products), and seventh in global import of chemicals (excluding pharmaceutical products).

Chemical exports

Exporters	Exports ($ bn)	Share in world exports		
Regions / countries	**2020**	**2005**	**2010**	**2020**
EU	1,036	50.0	46.0	47.4
USA	212	10.9	11.2	9.7
China	169	3.2	5.2	7.7
Switzerland	125	4.0	4.3	5.7
Japan	79	4.8	4.6	3.6
South Korea	74	2.5	2.9	3.4
UK	66	5.2	4.3	3.0
India	**53**	**1.0**	**1.4**	**2.4**
Singapore	51	2.4	2.3	2.3
Canada	36	2.4	2.0	1.7
Above 10	**1,901**	**86.4**	**84.1**	**87.0**

Source: World Trade Organization (WTO Statistical Review, 2021)

Chemical imports

Exporters	Imports ($ bn)	Share in world imports		
Regions / countries	**2020**	**2005**	**2010**	**2020**
EU	834	41.4	37.9	36.2
USA	283	11.4	10.1	12.3
China	212	6.7	8.5	9.2
Japan	73	3.3	3.5	3.1
UK	68	4.7	4.0	2.9
Switzerland	57	2.3	2.1	2.5
India	**53**	**1.2**	**2.0**	**2.3**
South Korea	51	2.1	2.3	2.2
Canada	50	2.8	2.4	2.2
Mexico	43	2.1	1.9	1.8
Above 10	**1,723**	**78.0**	**74.7**	**74.7**

Source: World Trade Organization (WTO Statistical Review, 2021)
That said, the size of the Indian chemicals industry, excluding fertilisers and pharmaceuticals, was $115-120 billion in fiscal 2021, and including fertilisers and pharmaceuticals, it was $160-180 billion.

Key growth drivers for Indian chemicals industry

- Per capita consumption of chemicals in India is lower vis-à-vis western countries. Hence, there is considerable scope for new investments
- A large population, huge dependence of the domestic market on agriculture, and strong export demand are key growth drivers for the industry
- Shifting geopolitical landscape and global supply chain preference away from China can provide India with a platform for converting challenges into opportunities
- The domestic market has enormous growth potential, as GDP and purchasing power rise
- World-class engineering and strong R&D capabilities

Global speciality chemicals market to log 4-5% CAGR by 2026

Within chemicals, speciality chemicals are a key segment, valued at $750-770 billion at the global level in 2021, having grown at 3-4% CAGR from 2016 to 2021.

Speciality chemicals are low volume, high value chemicals with specific applications. These are classified based on end-user industries. Some speciality chemicals are used in multiple industries. CRISIL Research considers the following categories of speciality chemicals: agrochemicals, home and personal care chemicals, polymer additives, water chemicals, textile chemicals, construction chemicals, electronic chemicals, and dyes and pigments.

Unlike bulk chemicals, speciality chemicals are used in low quantities and are consumed for specific end-use applications. These are chemical products that are sold based on specific requirement in end-user segments rather than composition. These chemicals impart a variety of properties to products and have a high degree of value addition.

Agrochemicals dominate the global speciality chemicals revenue pie, accounting for 8-10% share in 2021.

The use of agrochemicals in fertilisers, herbicides, insecticides, and pesticides are rising because of increasing demand for agro products, led by population growth and improving propensity to buy owing to rapid industrialisation globally.

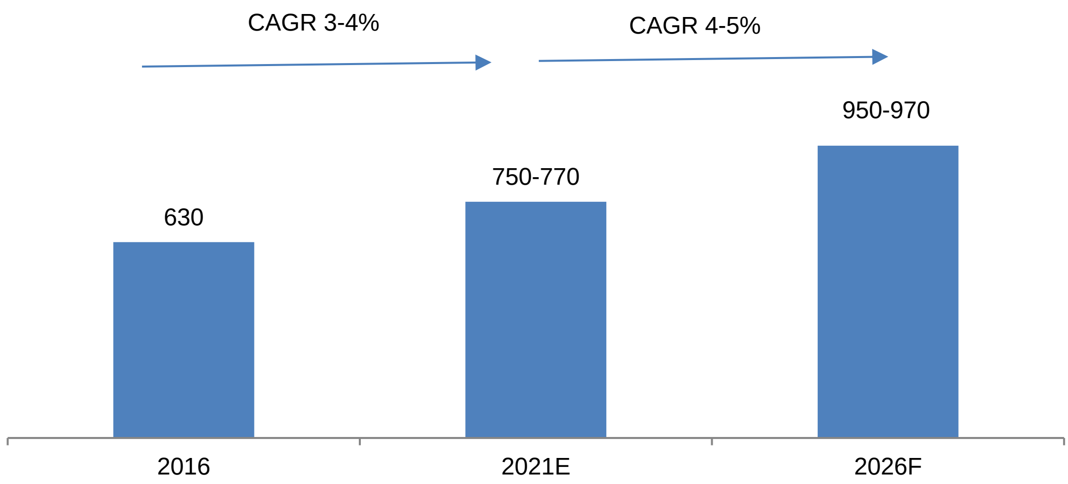
Global speciality chemicals industry classification (2021)

Speciality chemicals classification
Agrochemicals: 8-10% share of global market
Polymer and plastic additives
Construction chemicals
Electronic chemicals
Home and personal care chemicals: 6-7% share of global market
Performance chemicals (includes multiple sub segments): 8-10% share of global market
Pharma intermediates: 4-5% share of global market
Speciality coatings
Lubricant and oilfield chemicals
Textile chemicals
Food additives
Adhesives and sealants
Dyes and pigments
Others

Note: Performance chemical segment includes various sub segments such as antioxidants, anti-wear additives, flotation agents, solvents, surfactants, emulsifier, solvents, and chemical intermediates
Source: CRISIL Research

Between 2021 and 2026, the market is expected to grow at 4-5% CAGR to $950-970 billion.

Global speciality chemicals market size ($ billion)



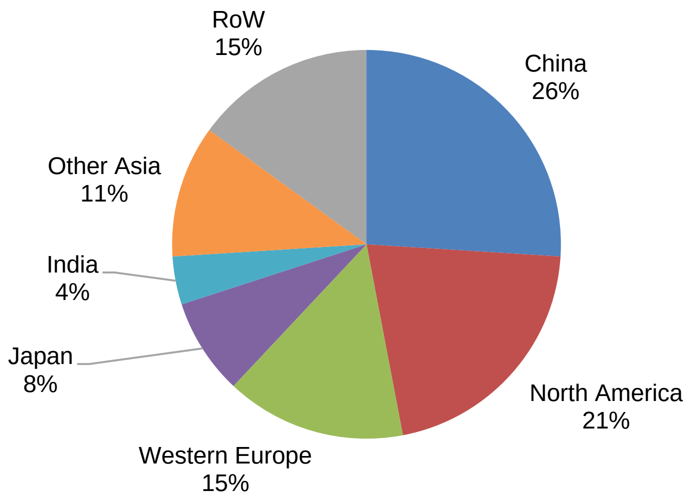
E: Estimated; F: Forecast
Source: CRISIL Research

APAC – key contributor to global speciality chemicals market in 2021

The past two decades have seen a significant shift in the speciality chemicals industry, from developed countries (particularly the US) to emerging ones in the Asia-Pacific (APAC) region. This has mainly been due to stricter environmental norms in western countries coupled with cost advantages enjoyed by companies in emerging markets, in terms of logistics and labour. The shift is also because of companies relocating closer to demand centres and optimising their supply chains. A rise in investments in emerging APAC countries have been facilitated by favourable government policies and a large consumer base. The presence of sizeable automotive, construction, electronics, pharmaceuticals and textile markets in China, India, Japan, and South Korea has helped the region become as a production hub for leading global vendors.

In 2021, APAC accounted for bulk of the global speciality chemicals market, with a share of 48-50%, followed by North America and Western Europe.

Market share of key countries in speciality chemicals in CY21



Note: CY – calendar year
Source: CRISIL Research

China's speciality chemicals market is eroding

China's speciality chemicals market has been on a downturn in recent years, primarily because of environmental norms introduced by the government, which have shuttered several chemical plants. The Chinese government started implementing stricter environmental protection norms beginning January 2015 to control pollution, imposing strict penalties on polluting industries, including chemicals.

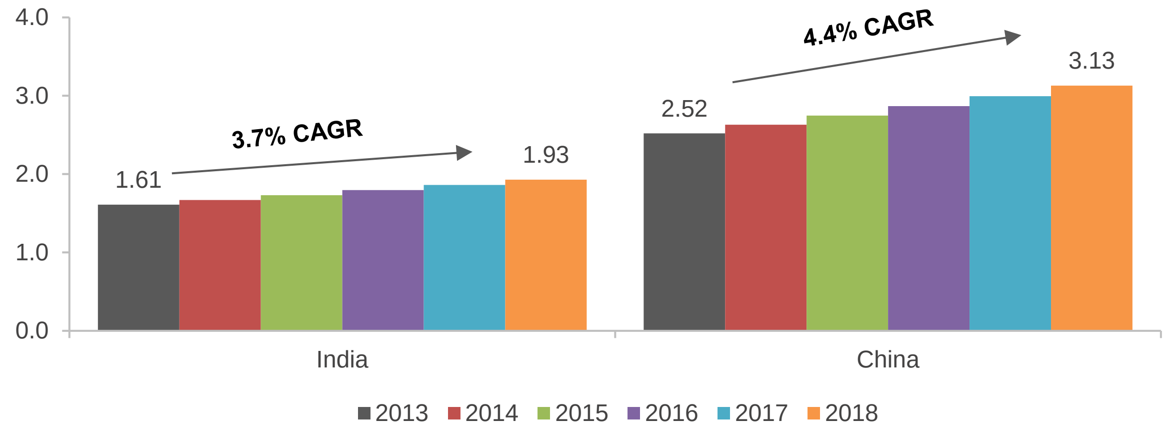
Some of the major steps taken are:

- Promoting a shift from coal- to gas-based power plants, and implementing strict penalties for non-compliance
- Ensuring compulsory construction of effluent treatment plants
- Making it mandatory for all polluting industries to operate from industrial clusters that are away from habitations
  - Small-to-mid-size chemicals plants were required to relocate by end-2020
  - All larger plants must relocate by end-2025, and start the relocation process no later than 2020
- Levying taxes on polluting industries based on pollution type, location, and severity
- Levying air pollution fees ranging from 1.2 yuan ($0.18) to 12 yuan ($1.81) per pollutant equivalent value. Pollutant equivalent value has been defined separately for each pollutant under the List of Taxable Pollutant and Taxable Pollutant Equivalent Volume in the Environment Protection Tax (EPT) Law of China
- Imposing penalty for noise pollution of 350 yuan ($52.69) and up to 11,200 yuan ($1,686.04) per decibel in excess, depending on the location and severity.

As a result, capital and operating expenditure of chemical companies are rising, making the output less competitive in the export market. China's chemical exports have been on a downward trend since 2015. In 2017, ~40% of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission limits. While exports rose in 2017 and 2018, as most plants restarted production, the trend has again turned south over the past two years. Also, **domestic demand is slowing** because of slowing economic growth. China's economy is expected to decelerate further in the coming years, resulting in reduced domestic demand.

Meanwhile, China's labour cost has seen a rapid increase over the past 10 years. Average hourly wages in China were ~$3.13 in 2018, showing a 4.4% CAGR since 2013. This effectively translated to China's hourly wages printing nearly 1.7 times the average hourly wage in India, as of 2018. Rising labour cost in China is also contributing to increased operating expenditure for chemical manufacturers, rendering them uncompetitive.

Comparison of labour costs in India and China ($ per hour)



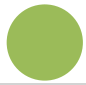
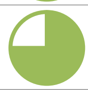
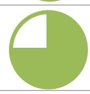
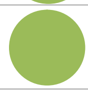
Source: World Bank

Also, the US-China trade war and the recent pandemic have driven companies to a 'China plus one' strategy to enhance supply chain resilience by diversifying manufacturing capacities to other countries. Currently, the US accounts for ~15% in China's export basket. However, continuation of the trade war and resultant increase in tariffs are expected to have had negative implications on domestic capacity and production. Precipitating this shift in strategy is the pandemic, which has prompted players globally to de-risk and move supply chains away from China. In fact, most global giants are reducing their dependence on a single country, shifting manufacturing or import sources to other Asian countries. This provides incentives to Indian manufacturers to expand their capacities. The recent appreciation of the Chinese currency has also weighed on the overall export market, thus impacting chemical exports significantly.

India to benefit from China's downturn

The recent downturn in China's speciality chemicals industry is an opportunity for Indian manufacturers which have a cost advantage. The changing regulatory and policy landscape in China, reduced government support for Chinese manufacturers, along with geopolitical issues and Covid-19 impact, have prompted global companies to diversify supply risks, thereby improving the export opportunity for Indian players. This is because, very few countries, other than India have the requisite scale, technology (including complex chemistry capabilities), raw materials, skilled labour availability, intellectual property protection, and government support to capture this opportunity.

Competitiveness of India vs China

Parameter	USA/Europe	China	India
Labour cost			
Environmental compliance			
Plant capex			

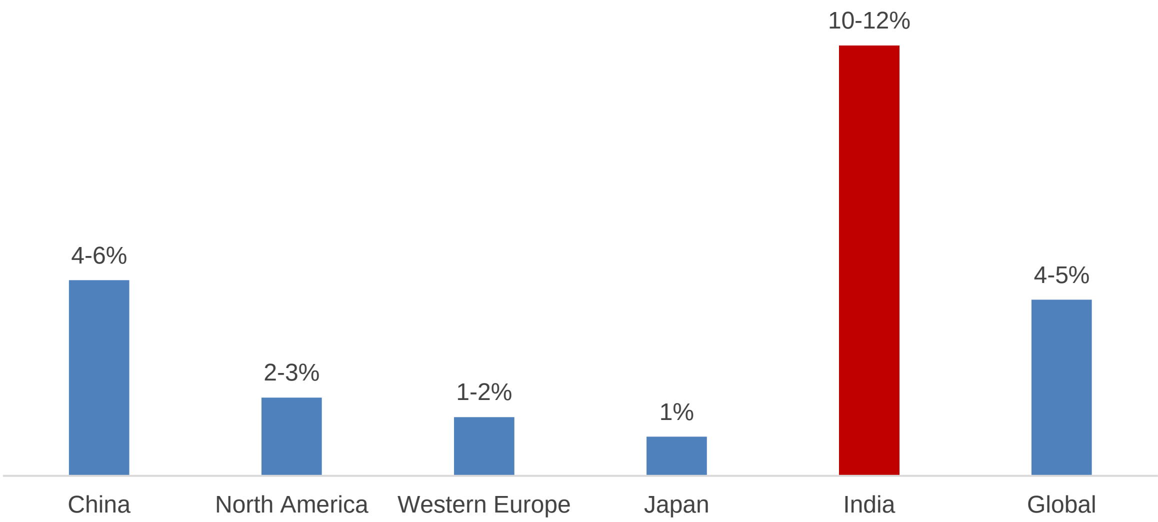
Note: Colour of the pie indicates relative advantage of a particular country/region vis-a-vis others in relation to a particular parameter. A fully coloured pie indicates maximum advantage compared with the other two regions.
Source: CRISIL Research

Over the years, several Indian companies are looking to set up global-sized plants to cater to growing domestic and global demand. The government is also supporting manufacturing in India. Initiatives such as Make in India, corporate tax reduction to 25%, and petroleum, chemicals, and petroleum investment regions (PCPIRs), are expected to create significant opportunities for manufacturers. This was reflected in India's Ease of Doing Business ranking improving to 63 in 2020 from 142 in 2014.

Indian market to grow sharply compared with other regions

In terms of region-wise demand, India's specialty chemicals industry is expected to post 10-12% CAGR between 2021 and 2026, owing to rising demand from end-user industries, along with tight global supply on account of stringent environmental norms in China. In contrast, markets such as Americas, Europe and Japan are expected to clock less than 3% CAGR over the next five years because of industry saturation in these regions. China's speciality chemicals industry, which saw historic growth rates of ~20% and above until 2013, is expected to post slower 4-6% CAGR between 2021 and 2026.

Region-wise growth in speciality chemicals (2021 to 2026, CAGR)



Source: CRISIL Research

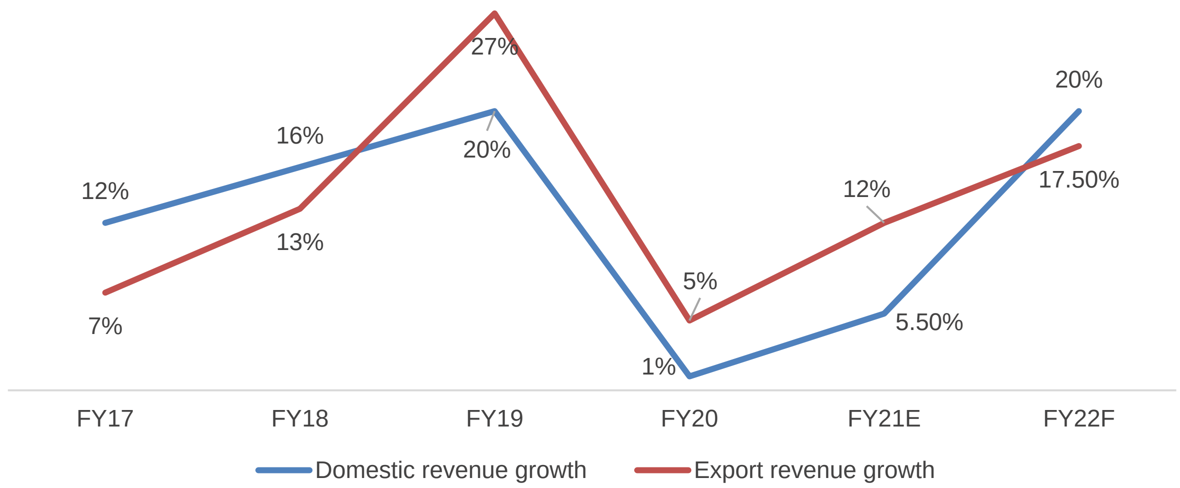
Capex in speciality chemicals to increase 50% on-year this fiscal

A revival in domestic demand and continuing robust exports will spur a 50% on-year increase in the capital expenditure (capex) of speciality chemicals manufacturers this fiscal to Rs 6,000-6,200 crore. That would also be well above the Rs 5,000 crore spent before the pandemic in fiscal 2020, a CRISIL Ratings study of 106 rated speciality chemicals manufacturers, which account for a fourth of the sector's annual revenue of ~Rs 3 lakh crore, shows. Operating profitability is seen healthy at 18-20%, on better operating leverage. That, along with strong balance sheets supported by healthy cash flows and equity raised in the recent past, will keep the credit outlook of companies rated by CRISIL stable despite the ramp-up in capex. The spurt in capex comes on top of substantial spend already incurred to add capacity in recent years, given the strong export demand for speciality chemicals, which has boosted revenue.

Export growth is expected to accelerate to 17-18% from 12-13% last fiscal, owing to competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers. This will also be supported by weakened competitiveness of China due to implementation of stringent environmental norms, rising labour cost, and geopolitical issues (US-China trade war). Domestic growth, on its part, is likely to surge to ~20%, riding on strong demand from agrochemicals, fast-moving consumer goods (FMCG), pharmaceutical and textile sectors, as well as a rise in discretionary spend. This compares with 5-6% growth last fiscal, when sluggish growth in income levels impacted discretionary end-user segments such as colourants, polymers, textiles, and FMCG.

Extensive research and development (accounting for 2-3% of sales for the top 10 listed players) and investments in backward integration by Indian manufacturers over the past few years have resulted in import substitution and a wider product range, including in value-added speciality chemicals. This has boosted their efficiency and helped them become more cost competitive, as reflected in a healthy operating profitability of 18-20% in the last three fiscals. Further, the cost-plus pricing model (fixed mark-up over and above input prices) supports operating profitability.

Domestic and export revenue growth development



Notes: Based on 106 CRISIL-rated players (25% of sector's annual revenue)
Source: CRISIL Research

<u>INDIAN AGROCHEMICALS INDUSTRY</u>

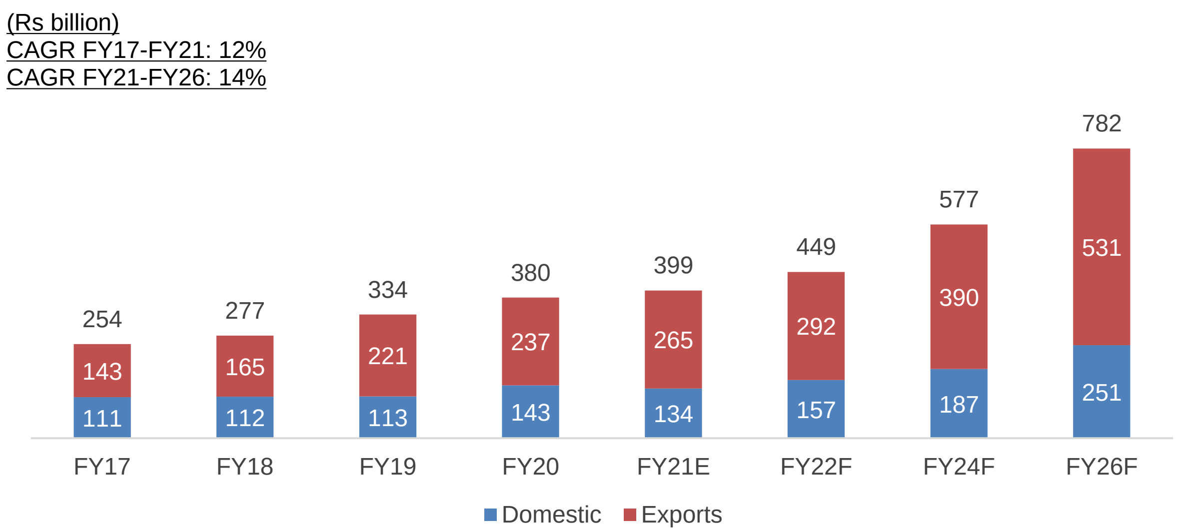
Industry development

Production valued at ~Rs 400 billion in fiscal 2021

Indian agrochemicals production is expected to grow from ~Rs 400 billion in fiscal 2021 to ~Rs 450 billion this fiscal, at ~11-12% on-year. Production has grown at ~12% CAGR in the past five years.

Majority of India's production (~66%) is exported. India stands fifth in world in terms of exports, accounting for ~8% of total global agrochemicals exports in calendar year 2020. Exports are expected to grow at 15% CAGR in the next five years, driven by growing demand from global markets.

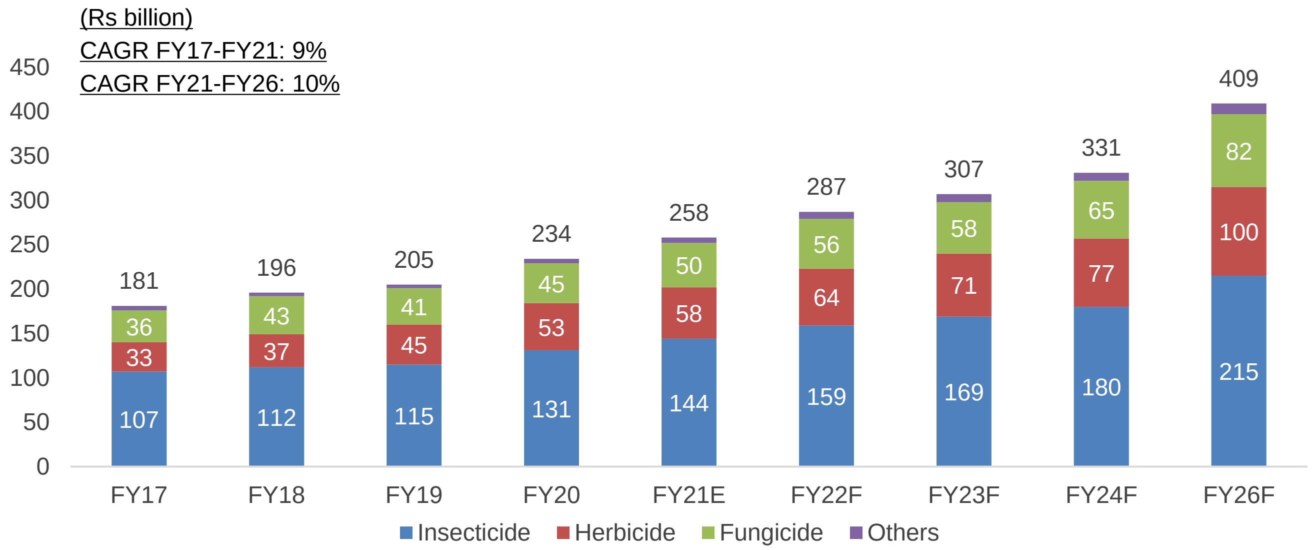
Production to grow at a faster pace in the coming years



Source: CRISIL Research

The Indian agrochemicals business is dominated by generic versions. There is a significant chance to investigate drugs that will become off-patent through 2021-23, as well as through acquisitions and strategic collaborations between global giants and domestic players. Products going off-patent will provide an opportunity for post-patent companies.

Domestic agrochemicals consumption to continue its growth trajectory



(Rs billion)
Source: CRISIL Research

Over the next three years, assuming normal monsoons, we expect domestic consumption to grow at 9-10% CAGR, to surpass Rs 400 billion by fiscal 2026. Growth will be driven by an increase in penetration and rise in per-hectare expenditure on pesticides. Further, the intensity is expected to increase because of rising farmer awareness. India has one of the lowest per-hectare consumption. Therefore, farmers are likely to increase the intensity of application to achieve better crop yields and pare losses.

While insecticides will continue to dominate the overall mix due to India's tropical climate and resultant pest incidence, the share of herbicides and fungicides in overall consumption is expected to increase steadily.

Demand for insecticides to grow 6-8% CAGR; lower application on cotton to lead to subdued growth

Over the next three years, demand for insecticides is expected to grow at a slower 6-8% CAGR compared with herbicides and fungicides. However, this would be over a high base, as insecticides penetration in India is much higher than the other two. Insecticides accounts for ~55% share in overall pesticides consumption. Further, demand for insecticides is expected to slow down due to a decline in its application on cotton with increasing awareness of BT seeds. However, increasing penetration in paddy plantation will support growth.

Herbicides to log 10-12% CAGR over next five fiscals; change in labour dynamics to drive growth

Over the next five fiscals, the herbicides segment is expected to clock a healthy 10-12% CAGR because of changes in the labour dynamics in rural markets. A hike in rural wages due to the Mahatma Gandhi National Rural Employment Guarantee Scheme has led to an increase in the rural labour cost. Consequently, herbicides (used to treat weeds) are rapidly replacing manual weed pulling across several crops. Rising labour costs and scarcity of labour are expected to drive growth for the segment over the next five years.

Fungicides to grow at 8-10%; rise in horticulture production to spur growth

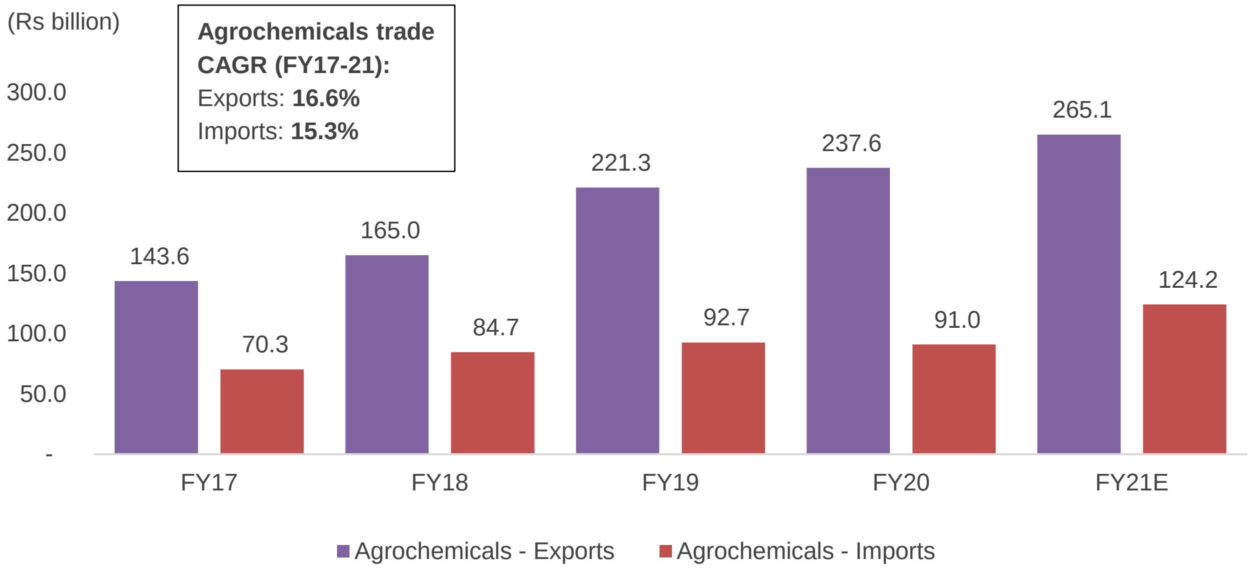
Fungicide's demand is expected to grow 8-10% over the next five fiscal, assuming normal monsoons. Growth will be driven by an increase in horticulture production, of both fruits and vegetables. Also, the shift in focus from cash crops to fruits and vegetables would aid an increase in the application of fungicides. Increased support from the government towards exports of fruits and vegetables is also expected to bode well for fungicide demand.

Overview of agrochemicals trade in India

India's agrochemicals exports logged 16.6% CAGR in past five years

Total agrochemical exports were Rs 265.1 billion, and total imports, Rs 124.2 billion as of fiscal 2021. The share of agrochemicals in India's total export was 1.23% and its share in total imports was 0.43%. Agrochemicals exports and imports have registered a strong 16.6% and 15.3% CAGR, respectively, between fiscals 2017 and 2021.

Trade scenario of agrochemicals, fiscal 2017-21



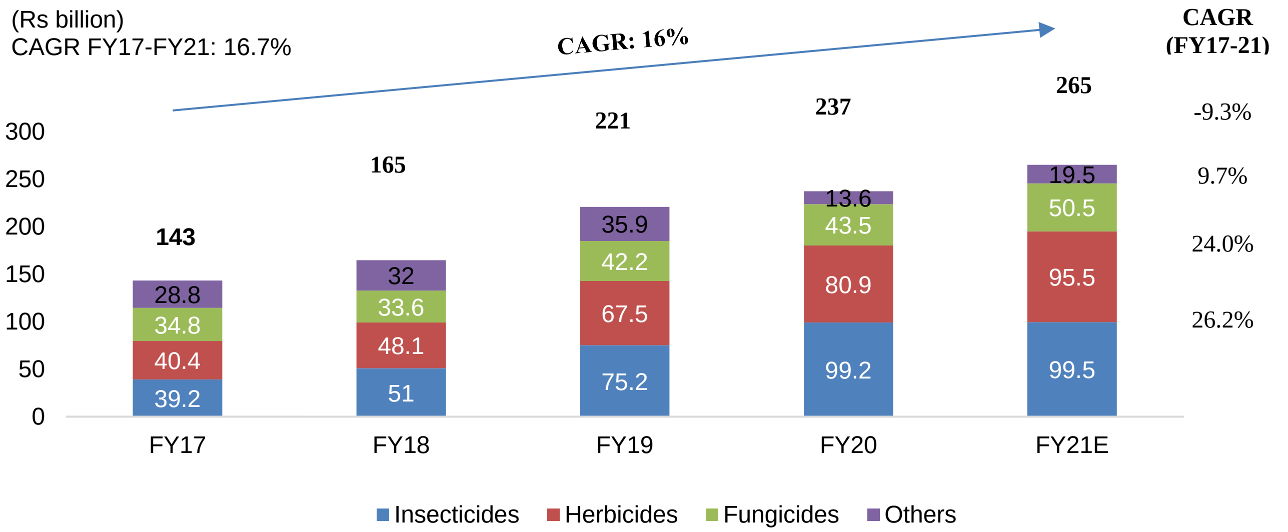
Share (%) of agrochemicals in total merchandise trade of India	FY17	FY18	FY19	FY20	FY21
Exports	0.78%	0.84%	0.96%	1.07%	1.23%
Imports	0.27%	0.28%	0.26%	0.27%	0.43%

Source: DGCIS, CRISIL Research

Exports accounted for ~66% of the Indian agrochemical production in fiscal 2021

India's exports logged ~17% CAGR between fiscals 2017 and 2021. Brazil, US and France are major export markets for India. The top five countries constituted over 50% of exports in fiscal 2021. Indian exports are expected to increase this fiscal supported by higher demand from existing markets and expansion into new markets on account of trade restrictions on Chinese imports.

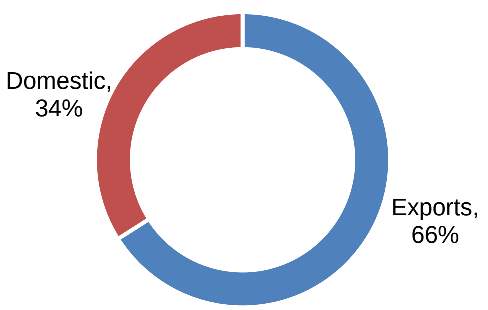
Exports have grown at a healthy pace over the past years



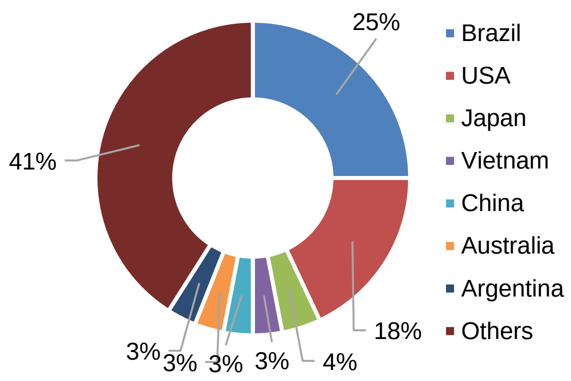
Note: HS codes - insecticides - 380891, fungicides - 380892, herbicides - 380893, others - 380894, 380899, 380869, 380862, 380861, 380859, 380852

Source: Ministry of Trade and Commerce, CRISIL Research

Share of exports in overall agrochemicals industry



Country-wise break-up (%) of agrochemicals export



Source: Ministry of Trade and Commerce, CRISIL Research

- The top eight countries constituted 60% of exports between fiscals 2017 and 2021
- Trade restrictions from China have provided an opportunity for the Indian market, resulting in ~8% growth in exports for fiscal 2021
- Higher demand in India's major importing countries such as Brazil, US and Japan have added to the growth, which is expected to increase further
- India's capability in low-cost manufacturing, a strong presence in generic pesticide manufacturing, availability of technically trained manpower, seasonal domestic demand and overcapacity is expected to drive growth in exports up to fiscal 2024 at 7-8% CAGR
- The Chinese government's crackdown on sectors owing to environmental concerns is raising production costs in China, which is helping Indian manufacturers compete globally. Furthermore, the trade war between the US and China, as well as

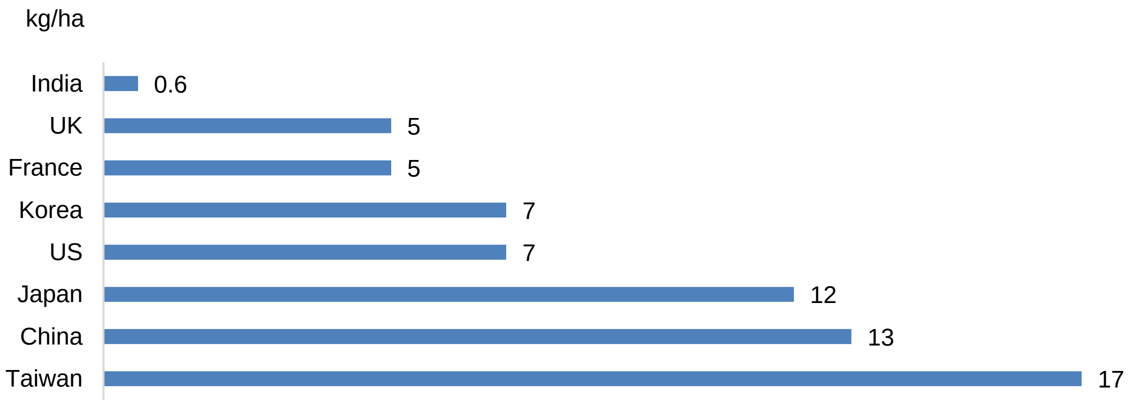
global efforts to minimise reliance on China for inputs and finished goods, are projected to stimulate demand. The current worldwide market conditions are favourable to India's goal to become a manufacturing hub and preferred sourcing location

- Higher cropping intensity techniques such as double cropping in Brazil is driving the demand for more exports from India
- Higher demand from existing markets and expansion into new markets is also expected to support export growth

Agrochemicals - Consumption and penetration

India's consumption far below global level
Despite rapid growth in recent years, India's pesticide usage is much below the global norms. Though overall pesticide penetration has been on the rise, driven by the increase in per hectare penetration and usage, India's agrochemical usage is very low compared with other countries (developed and developing).

Comparison of usage in different countries



Source: Industry, CRISIL Research

Structure of agrochemicals industry

Indian market characterised by large number of standalone formulators

While there are players exclusively manufacturing technical compounds, most of them also prepare formulations. On the other hand, there are several hundred standalone pesticide formulators in India. Players present in the technical space are typically large-scale manufacturers who have their own formulation capabilities and sell technical compounds to other formulators. Pure-play formulators purchase technical compounds and required intermediates to prepare the final product. The end product, i.e., packaged pesticide, is then sold through distributors. There are over 100,000 distributors of farming inputs who stock goods ranging from agrochemicals (including pesticides and fertilisers) to farming equipment.

Technicals are typically hydrocarbon based and are compounds containing sulphur, phosphorous, chlorine, etc. Technicals are usually manufactured in bulk and form the primary input for the second stage of the process – preparation of formulations. Formulators combine technical compounds with inert carriers, which are primarily designed to impart desirable characteristics (such as adhesiveness and solubility) to the final product. Thereafter, formulators package and sell the final product.

High concentration in the pesticides industry

Top players (most of whom are integrated manufacturers) comprise 60-70% of the pesticides market, with smaller standalone formulators accounting for the rest.

Industry characterised by four categories of players

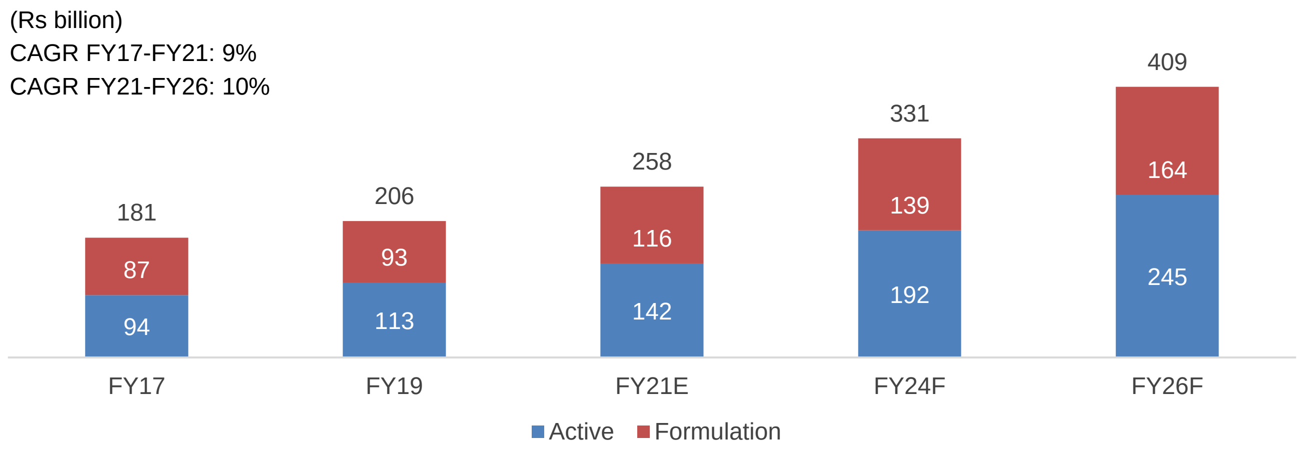
Features	Intermediate	Technical	Formulator	Integrated
No of players	30-50	125	800	15-20 major players
Working capital intensity	Low	Moderate	High	High
Typical EBITDA margin	8-10%	13-15%	12-14%	16-18%
R&D spend (as a % of turnover)	1-1.5%	0.5-1%	0-1%	1-2%
Impact of molecules going off-patent	Low	High	High	High

Source: CRISIL Research

Standalone formulators are largely involved in manufacturing generic pesticides (i.e., not specific to a particular crop or pest). Larger players, especially multinational companies, or large Indian companies with global tie-ups for technology are more likely to have greater presence in specific pesticides. As generic pesticides dominate the domestic market, there is intense competition among players on price.

Standalone players usually have regional presence and thrive on their network with local distributors. These players generally offer dealers higher margins (4-5%). Larger, integrated players with wider distribution networks offer dealers 2-3% margins.

Segmentation by product composition



Source: CRISIL Research

Agrochemicals value chain

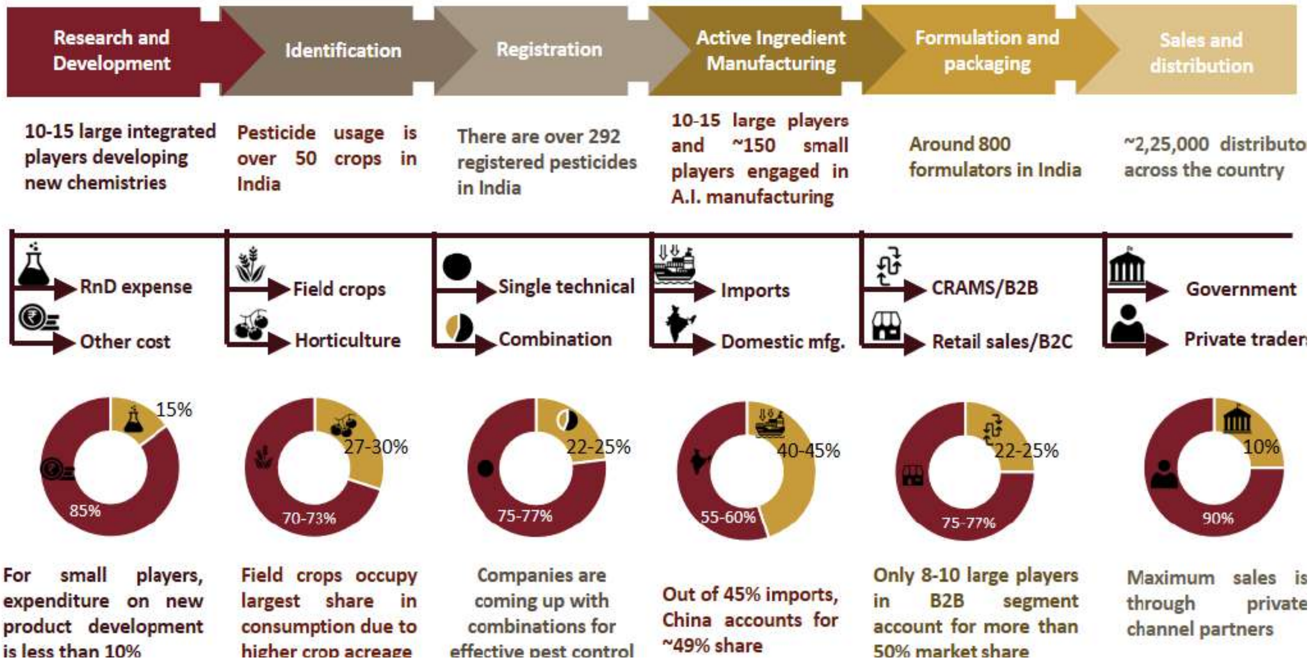
Agrochemicals are manufactured through a chemical process where the one or more active ingredients in specific combinations or concentrations are mixed with other materials like adjuvants, solvents, safeners, inert materials, and catalysts, to obtain a product that aids in controlling pests.

Manufacturing involves two distinct phases:

Production of the active ingredient, also known as the 'technical', which is hydrocarbon based and is a compound with sulphur, phosphorous and chlorine

Formulation, wherein the technical compounds are combined with additional materials like inert materials, adjuvants, and solvents to obtain the final product, which is sold in the market

Value chain of agrochemicals



Source: Company reports, Ministry of Commerce and Industry, Directorate of Plant Protection, Quarantine, and Storage, CRISIL Research

Regulatory scenario in India

Key government regulations impacting the agrochemicals industry in India are:

I. Pesticide Management Bill, 2020

The bill, which seeks to regulate the manufacture, import, sale, storage, use, distribution, and disposal of pesticides, was approved by the Union Cabinet in February 2020

The bill if approved would replace the Insecticides Act,1968

The Central Pesticides Board would be set up to advise central and state governments regarding usage of pesticides in India

Some of the key provisions of this bill are:

- Pesticides database: It will provide farmers more control by providing them with all the knowledge they need regarding pesticides, the hazards pesticides pose, and the alternatives available. The data will be readily available in the digital format and in native languages.
- Compensation: The bill includes a novel provision that compensates farmers if they suffer losses because of misuse or poor quality of pesticides. To deal with this problem, a central fund will be established.
- Registration of pesticide manufacturers: All pesticide manufacturers, even those registered under the old Act less than two years ago, must register under the new Act.
- Stringent penalties: It includes provisions for punishment against violations and a stiffer penalty to protect agricultural interests.

II. Proposal to ban some pesticides

The government's proposal to ban 27 pesticides, accounting for 15-20% of the Rs 45,000 crore revenue of the organised agrochemicals sector, is unlikely to impact manufacturers materially due to a troika of reasons

An analysis of 31 CRISIL-rated agrochemicals firms, accounting for ~87% of the organised agrochemicals sector revenue in fiscal 2020, shows as many as 25 of them generate less than 15% of their revenue from the pesticides proposed to be banned. The balance six have 15-50% exposure, and of these, many also have a high share of exports

Additionally, the government is permitting exports, which account for ~40% of revenue for these products, on a case to-case basis. Notably, 20 of these 27 pesticides are exported to regions such as Latin America, the US, Asia Pacific, and the European Union, where there is no ban on their usage. In the past, too, the government allowed exports of banned products where firms had contractual obligations

Net-net, therefore, there will be only modest impact on revenues

Prasol Chemicals would not be impacted due to the proposed ban as the company caters to diverse industries apart from pesticides and exports to about 40 nations in Europe, Africa, the Middle East, and Asia, broadening its geographic reach

Initiatives by the government to boost farm revenue and infrastructure

Government policy plays a key role in agriculture lending. While multiple policies floated by the government have aided farmers access to agri-lending, higher NPAs and banks' drive to clean their balance sheets have also restricted overall lending growth. A look at these policies reiterates the importance of government focus on the sector. Some of the important government policies that boost investments and credit to farmers are:

- Budgetary allocation for the agriculture sector
- Interest subvention for farmers
- First farm loan waiver
- Kisan Credit Card (KCC)
- National Bank for Agriculture and Rural Development (NABARD) support

Prasol's key competencies in the market

Product leadership

- Several acetone and phosphorus derivatives are included in the product portfolio, and they are used in the synthesis of agrochemical active ingredients (Technicals) and Formulations

Technology leadership

- The company not only possesses the latest hydrogenation and oxidation technologies, but also possesses aldol condensation, pyrolysis, high temperature and pressure reactions, halogenation, and dehydration technologies as well for manufacturing acetone derivatives and phosphorus-based derivatives
- The manufacturing facilities are automated with Distributed Controlled Systems (DCS) for attaining excellence in quality and production efficiency.

Competition for derivatives

- Company competes with manufacturers such as Arkema, Evonik, UPL and Italmatch

GLOBAL AND INDIAN PHARMACEUTICAL INTERMEDIATES INDUSTRY

Global pharmaceutical intermediates industry

Industry overview

Pharmaceutical intermediates are chemical compounds used as raw materials in the production of bulk drugs and for R&D purpose. Drug intermediates are formulated in a sanitary manner utilising high-grade raw materials and are employed in the pharmaceuticals sector as well as a few other industries such as cosmetics.

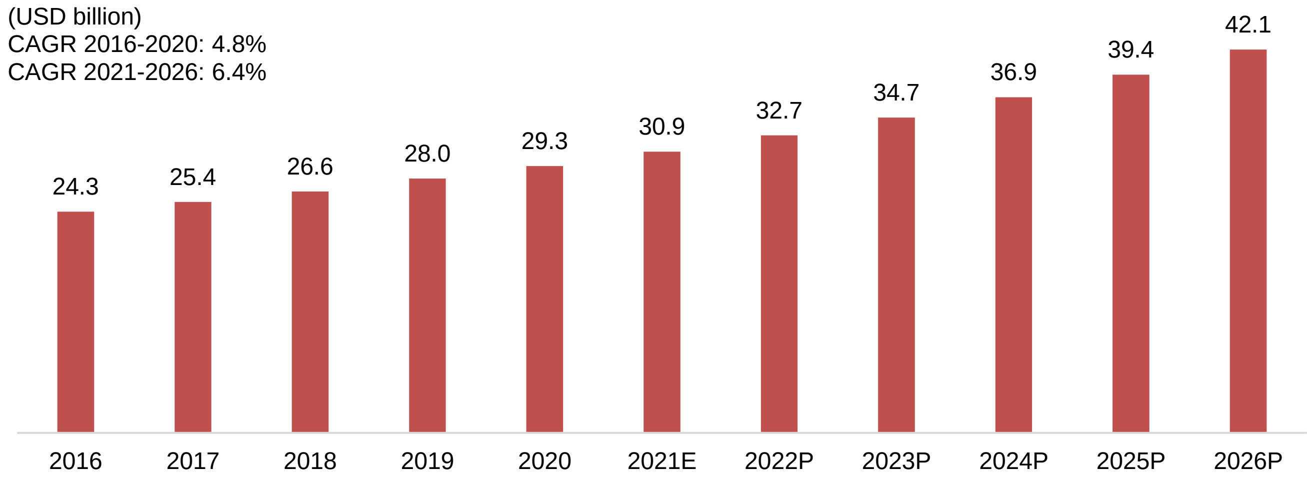
One of the major factors driving the pharmaceutical intermediates market globally is the increasing burden of chronic and infectious diseases, leading to the requirement of bulk drugs that are produced using pharmaceutical intermediates.

The global pharmaceutical intermediates market stood at $30.9 billion in 2021 and is expected to reach $42.1 billion by 2026 at a CAGR of 6.4%. Asia Pacific was the largest pharmaceutical intermediates market in 2021 with a share of 34.3%; the share is expected to increase to 35% by 2026.

The top five countries in the global pharmaceutical intermediates market are the US ($6.7 billion with 23% market share), China ($3.3 billion, 11%), India ($3.0 billion, 10%), Germany ($1.8 billion, 6%), and Japan ($1.6 billion, 6%).

Major competitors are SI Group, UPL. Arkema, and Evonik.

Global pharmaceutical intermediates market development



Source: Mordor Intelligence

Key tends and growth drivers

Key trends

Increased investment in R&D

In 2019, the global pharmaceuticals sector spent $83 billion on R&D. These costs were used to fund several operations, including the discovery, and testing of novel medications, development of incremental advancements such as product expansions, and clinical testing for safety and marketing considerations. This sum is around 10 times what the industry spent annually in the 1980s.

Pharmaceutical companies spent over one-quarter of their sales (net of costs and buyer rebates) on R&D expenses in fiscal 2020, which is nearly twice as much spent in 2000. Over the past decade, R&D spending has risen at an annual rate of nearly 8.5%.

Increased spend on new drug development

New drug discovery has been increasing each year during the past decade. On average, 38 new medications were licensed per year between 2010 and fiscal 2020. This is a 60% increase over the preceding decade.

Key growth drivers

Increasing prevalence of infectious diseases

The global burden of a wide range of diseases, particularly cardiovascular diseases (CVD), infectious diseases, diabetes, and kidney-related problems, is increasing. The rising frequency of a wide range of diseases among all age groups, as well as their global burden, drives drug development and market demand.

Growing R&D initiatives and activities in the pharmaceuticals industry

For better drug candidate identification, modern technologies such as high throughput, bioinformatics, and combinatorial chemistry are being used more frequently. As a result of the increased R&D efforts in the pharmaceuticals sector, utilisation of intermediates is predicted to grow steadily throughout the projection period (2021-2026).

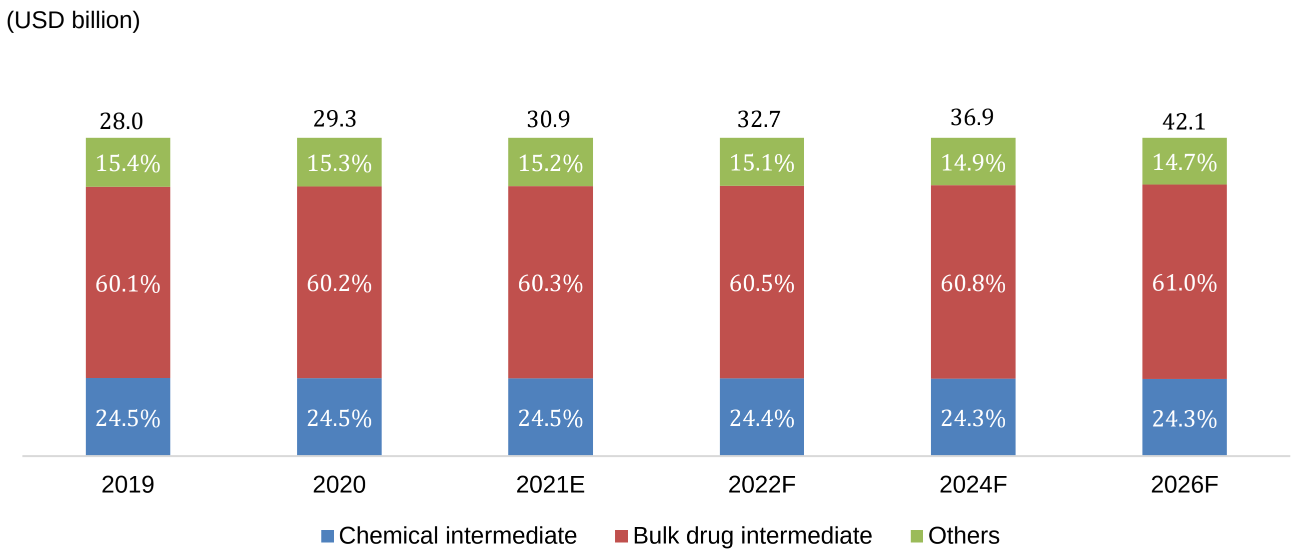
Covid-19 leading to vaccination drives

Covid-19 was a wake-up call for both rich and developing countries, highlighting the need of uninterrupted access to medicines and health items. The role of global vaccine producers has become vital at a time when access to vaccinations for controlling the prevalence of COVID-19 is one of the greatest goals for all countries.

Industry by product type

Global pharmaceutical intermediates market can be classified based on product type into chemical intermediates, bulk drug intermediates, and others.

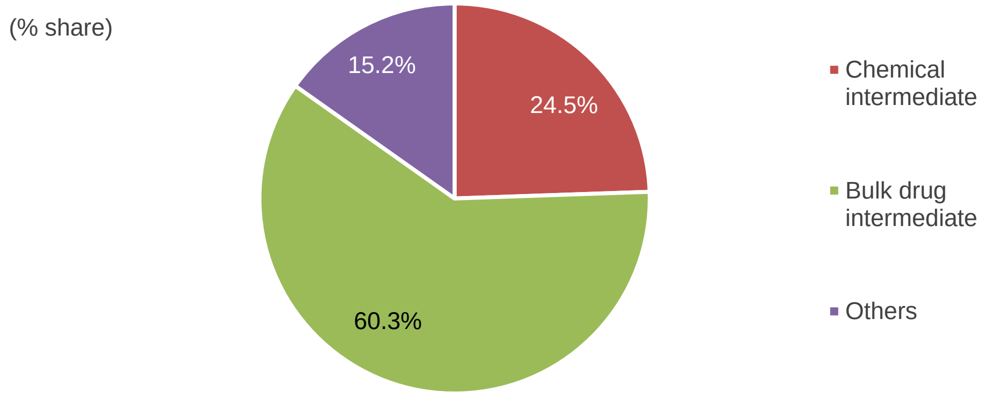
Global pharmaceutical intermediates market by product type



Source: Mordor Intelligence

Chemical intermediates - In industries such as chemicals, the term intermediate refers to a reaction result that is only useful as a precursor chemical for another industry. Intermediates are also known as chemical raw materials or products and are used in pharmaceutical synthesis. Global chemical intermediates market is expected to reach of $10.2 billion by 2026 at a CAGR of 6.2% over the forecast period.
Bulk drug intermediates - These intermediates are utilised as raw materials in the production of bulk drugs. Global bulk drug intermediates market is expected to witness the highest CAGR of 6.6% over the forecast period to reach $25.7 billion by 2026.
Others – Others include advanced intermediates such as capecitabine, pemetrexed, and lenalidomide intermediates.

Bulk drug intermediates hold the largest share



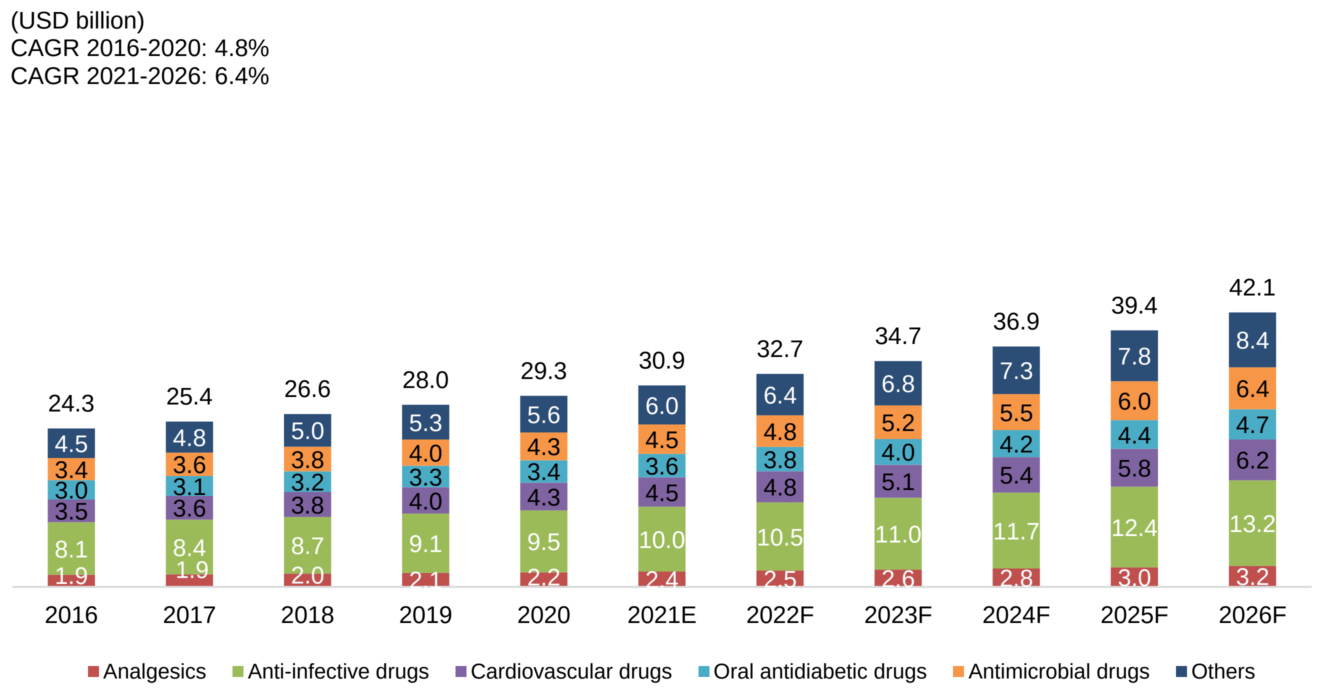
Source: Mordor Intelligence

Bulk drug intermediates held the largest share in the global pharmaceutical intermediates market in value terms in 2021, and the trend is expected to continue during the forecast period. Increasing global burden of chronic and infectious diseases is expected to drive the global bulk drugs market.

Industry by application

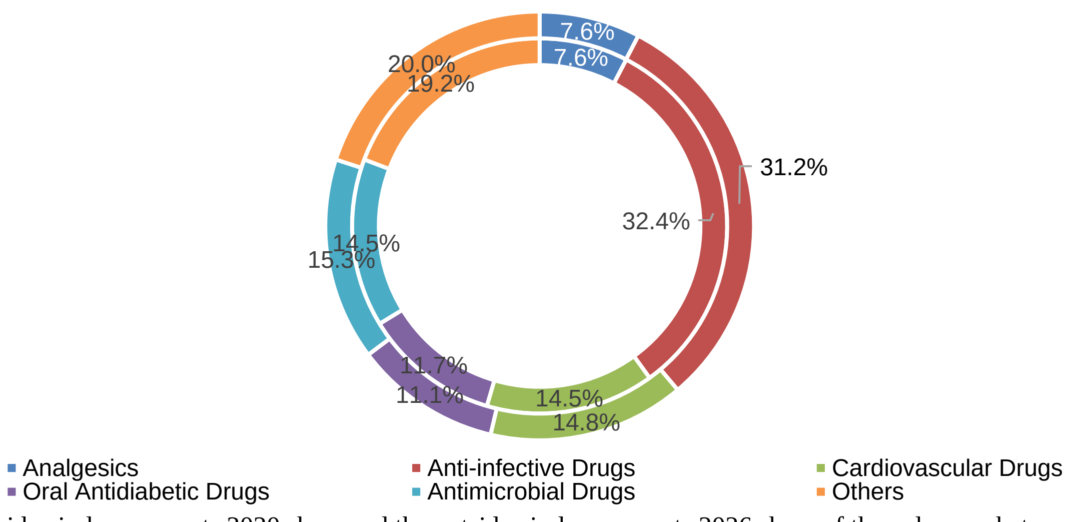
Based on application, the global pharmaceutical intermediates market can be classified into analgesics, anti-infective drugs, cardiovascular drugs, oral antidiabetic drugs, antimicrobial drugs, and others.

Global pharmaceutical intermediates market by application



Source: Mordor Intelligence

Anti-infective drugs held the largest share of the global pharmaceutical intermediates market - 2020 versus 2026F



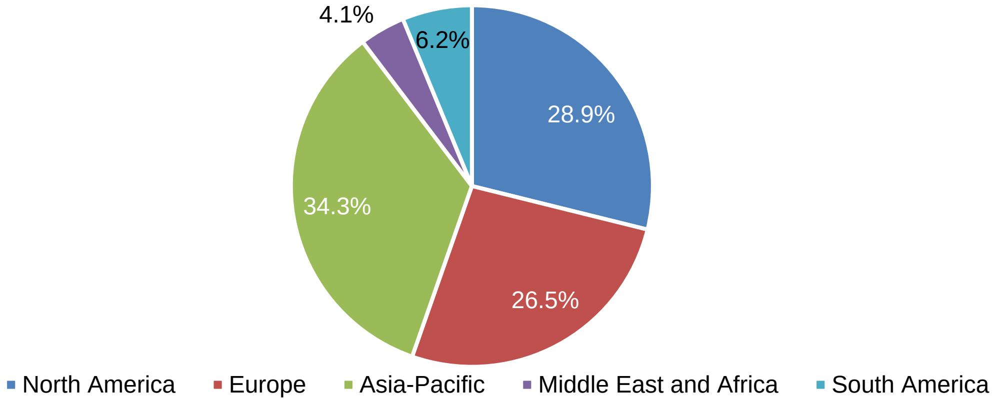
Note: The inside circle represents 2020 share and the outside circle represents 2026 share of the value market
Source: Mordor Intelligence

Anti-infective drugs held the largest share of the global pharmaceutical intermediates market in 2020 and the trend is expected to continue during the forecast period.

Industry by geography

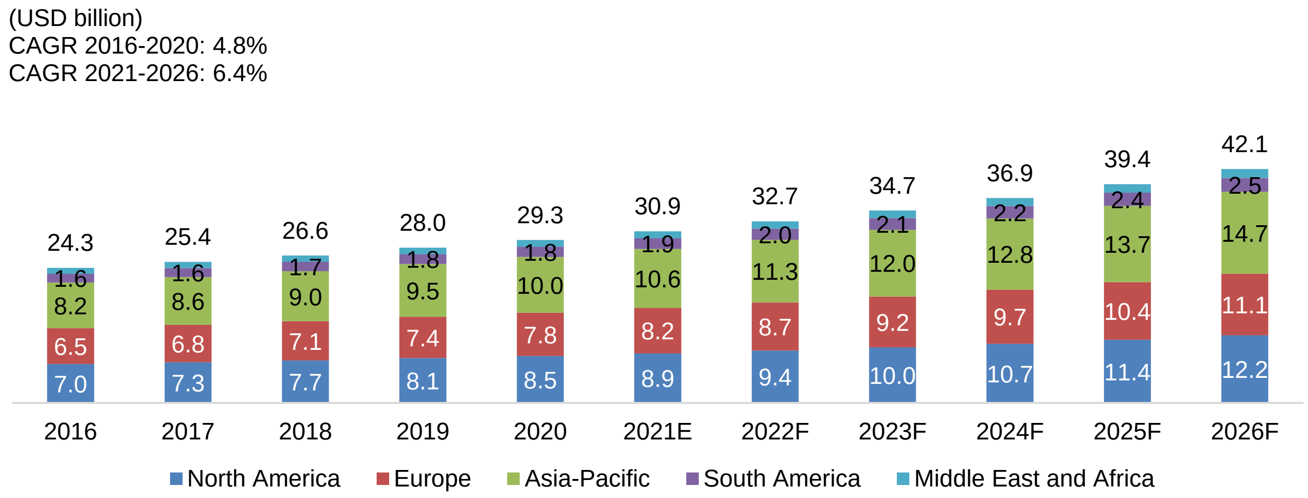
Based on geography, the global pharmaceutical intermediates market has been segmented into North America, Europe, Asia Pacific (APAC), Middle East and Africa (MEA), and South America. Asia Pacific held the largest share of the global pharmaceutical intermediates market in 2021 and the trend is expected to continue during the forecast period.

Global pharmaceutical intermediates market share by geography - 2021



Source: Mordor Intelligence

Asia Pacific to lead the global pharmaceutical intermediates market between 2021 and 2026



Source: Mordor Intelligence

Because of the region's growing pharmaceutical and life sciences industries, particularly in emerging economies such as India and China, Asia Pacific dominates the drug intermediates market.

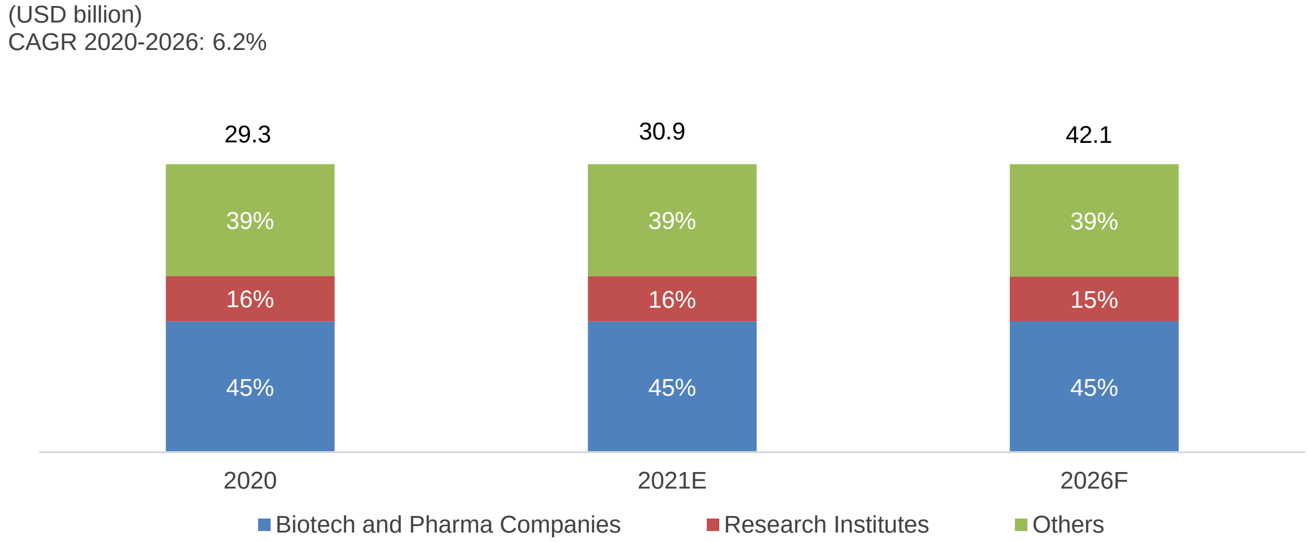
High prevalence of chronic diseases and ageing population are expected to drive the demand for pharmaceutical intermediates in APAC during the forecast period.

Furthermore, rising R&D expenditure on pharmaceutical APIs and intermediates is propelling the API intermediates market in the area.

Industry by end-users

Based on end-users, the global pharmaceutical intermediates market has been segmented into biotech and pharma companies, research institutes, and others.

Global pharmaceutical intermediates market by end-users



Note: E - Estimated; F - Forecast
Source: Mordor Intelligence

Biotech and pharma companies – The market is expected to log a CAGR of 6.4% between 2021 and 2026.

Research institutes – The market is expected to clock a CAGR of 6% between 2021 and 2026.

Others - This category comprises contract research organisations (CROs) and contract manufacturing organisations

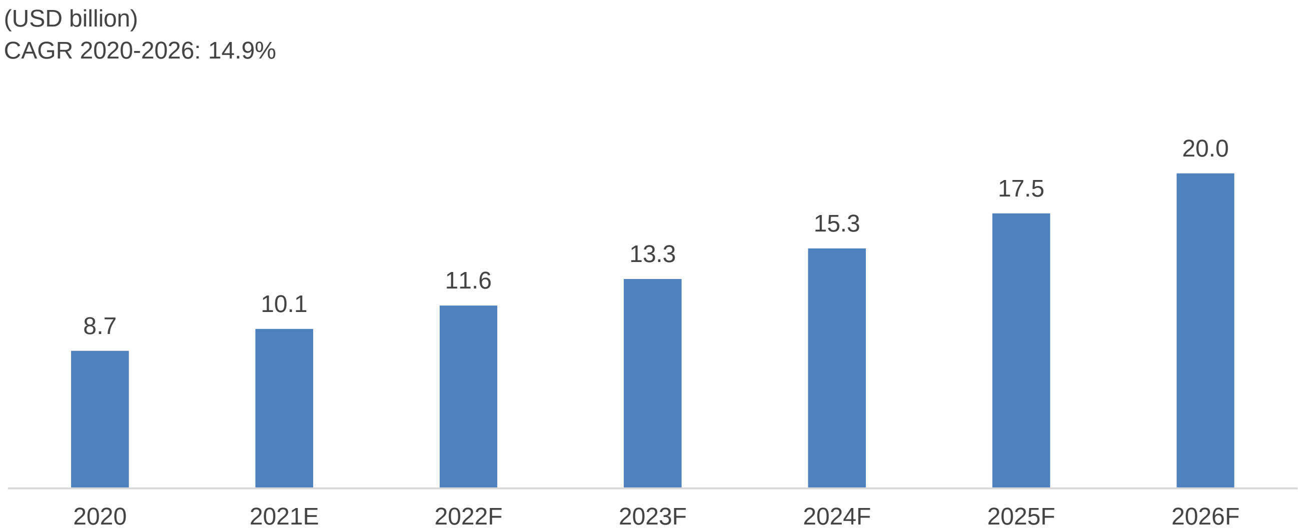
(CMOs). The market is expected to grow at a CAGR of 6.5% between 2021 and 2026.

Indian pharmaceutical intermediates industry

Industry overview

The Indian pharmaceutical intermediates market stood at an estimated $10.1 billion in 2021 and is expected to reach $20.0 billion by 2026 at a CAGR of 14.8% over the forecast period (2020-2026). One of the major factors driving growth in this market is the rising demand and production of APIs for manufacturing a wide range of drugs. Because of higher government expenditure on development of the pharmaceutical intermediates sector and sophisticated healthcare infrastructure, India offers a lot of opportunities for growth. The Department of Pharmaceuticals lists 56 APIs that can be manufactured under the 'Make in India' strategy. Additionally, the government's favourable policies to attract FDI are expected to promote market growth in India over the forecast period.

Growth of pharmaceutical intermediates market in India



Note: E - Estimated; F - Forecast
Source: CRISIL Research

Major competitors in the Indian pharmaceutical intermediates market are Sun Pharmaceutical Industries, Divi's Laboratories, Dr Reddy's Laboratories, Cipla Ltd, Biocon Ltd, Torrent Pharma, Lupin Ltd, Cadila Healthcare, and others.

Key growth drivers

PLI Scheme launched by Government of India (GoI) to encourage domestic production

The GoI initiated a Production Linked Incentive (PLI) scheme in July 2020 for the promotion of domestic manufacturing of critical KSMs, DIs and APIs in India. PLIs of up to Rs 6,940 crore were approved under the scheme. The scheme provides a financial incentive to the manufacturers of 41 eligible products which covers 53 APIs for 6 years.

PLI 2.0 was launched in March 2021 to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification for high-value goods in the pharmaceuticals sector. The scheme covers pharmaceutical goods under three categories as mentioned below:

- **Category 1: Biopharmaceuticals, complex generic drugs, patented drugs or drugs nearing patent expiry**
- **Category 2: APIs/KSM/DIs**
- **Category 3: Drugs not covered under Category 1 and Category 2**
    - Repurposed drugs
    - Autoimmune, anti-cancer, anti-diabetic, anti-infective, cardiovascular, psychotropic and anti-retroviral drugs
    - In-vitro diagnostic devices
    - Other drugs as approved
    - Other drugs not manufactured in India

Rising healthcare expenditure and prevalence of chronic diseases

In terms of incremental growth, the Indian healthcare business is predicted to be among the top three global healthcare industries by 2022. The rising prevalence of chronic diseases in India and around the world, combined with government initiatives such as 'Make in India' and the global demand for low-cost, high-quality therapies, has prompted pharmaceutical companies to invest in the healthcare industry, thus fostering its growth.

India is witnessing an increasing prevalence of a wide range of diseases, particularly cardiovascular disease (CVD), infectious diseases, diabetes, and kidney-related problems. In fact, the annual number of CVD fatalities in India is expected to more than double from 2.26 million in 1990 to 4.77 million by 2025.

Increasing income

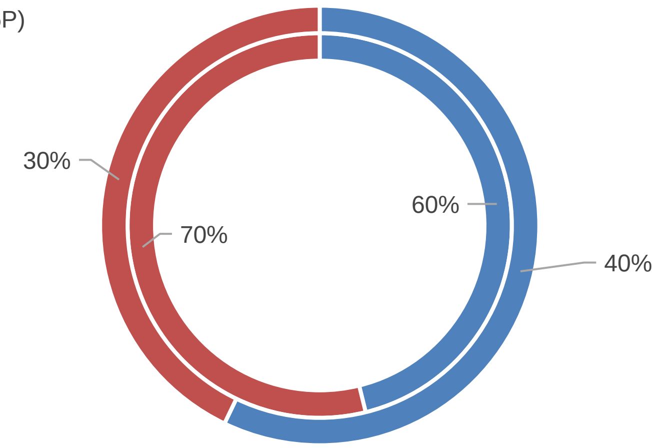
Domestic consumption in India has expanded by 3.5 times in the last decade, from around Rs 31 trillion to almost Rs 110 trillion. It is expected that by 2028, this will have soared to almost Rs 335 trillion. In addition, during the next 10 years, 73 million households are predicted to move into the middle class. Consumers are spending more of their discretionary income on healthcare, and some APIs are predicted to develop tremendously because of this trend.

Domestic consumption trend divided by local production and imports

The India pharmaceutical intermediates market was worth $8.7 billion in 2020. As per estimates, of the total $8.7 billion, imports (used in domestic consumption) were worth $3.5 billion, whereas domestic production/local production (used in domestic consumption) stood at $5.2 billion.

Imports versus local/domestic production (used in domestic consumption), by value

(% share in 2020 versus 2026P)



Source: CRISIL Research
Note: The inner circle represents 2020 and the outer circle represents 2026 (P); values are in $billion.

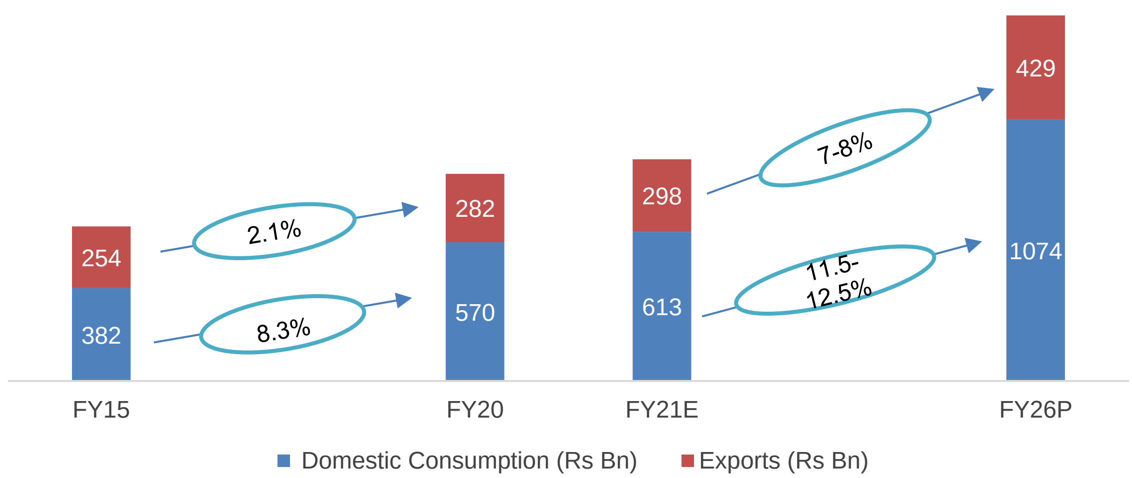
Going forward, imports are expected to decrease in the forecast period, whereas local production is expected to increase.

Growth forecast for API and formulations industry

Overview of the API industry in India

The overall bulk drugs market, including domestic consumption and exports, clocked ~6% CAGR during fiscals 2015 to 2020. Domestic consumption grew at ~7.9%, while the exports market was stagnant due to patent cliffs and competition from Chinese players. In fiscal 2021, the Indian API industry is estimated to have grown at 7% y-o-y, registering a good growth of ~6%, driven by the Covid-19 pandemic.

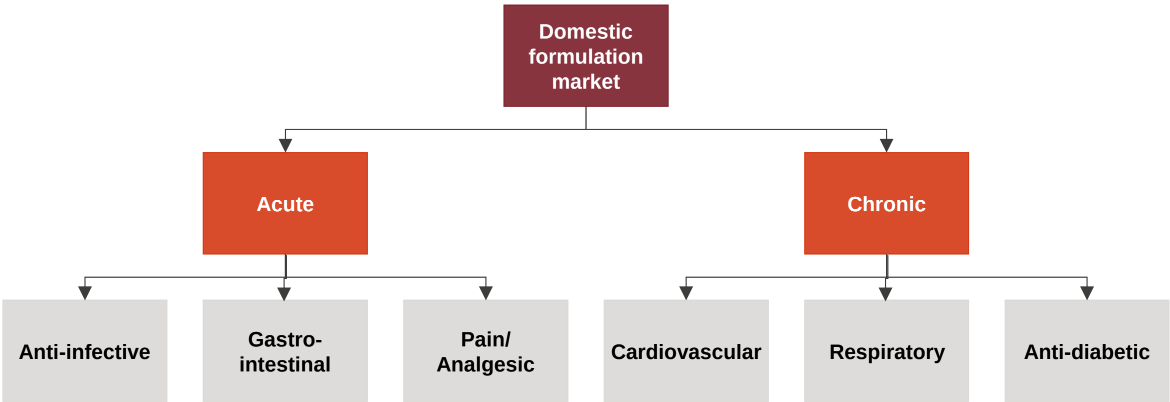
Overall API market trend (Rs billion)



Note: Exchange rate is considered to be Rs 73 per $; Growth rate might differ from the subsequent figure for exports due to the impact of exchange rate movement
Source: CRISIL Research

OVERVIEW OF DOMESTIC PHARMACEUTICAL FORMULATIONS INDUSTRY

Classification of key therapeutic categories under chronic and acute segments



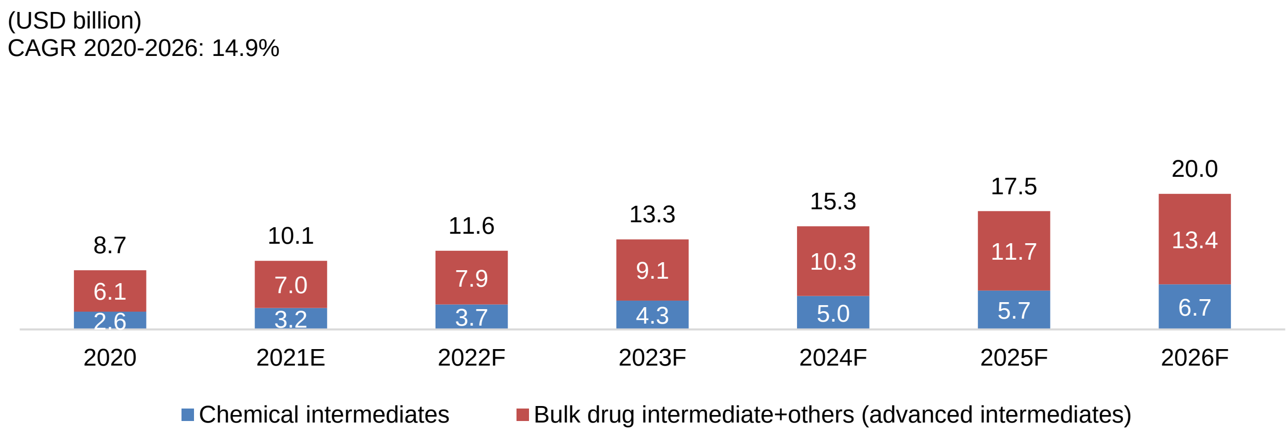
Source: CRISIL Research

Owing to relatively poor sanitation facilities, particularly in rural regions, India has a greater share of acute diseases than chronic diseases, compared with developed countries. Thus, drugs to counter acute diseases dominate the domestic market; 60-65% of drugs sold are used to treat acute diseases. However, with rising urbanisation, the share of chronic and lifestyle-related ailments is rising.

Industry by product type

Bulk drugs accounted for the lion's share of the Indian pharmaceutical intermediates market in 2020 and the trend is expected to continue during the forecast period. Increasing burden of chronic and infectious diseases is expected to drive growth in the Indian bulk drugs market.

Indian pharmaceutical intermediates market by product type

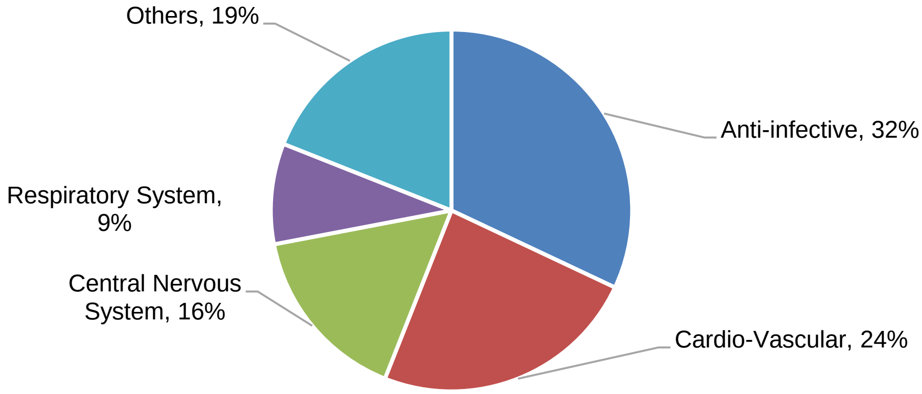


Note: E - Estimated; F - Forecast
Source: CRISIL Research

Industry by application

Intermediates used in the anti-infective application accounted for the largest share, followed by cardio-vascular applications in 2021. Increasing burden of chronic and infectious diseases is expected to drive the overall pharmaceutical intermediates market in the country.

India pharmaceutical intermediates market by application



Source: CRISIL Research

Prasol's key competencies in the market

Product leadership

- Product portfolio includes several acetone derivatives such as mesityl oxide, tri methyl cyclohexanol, tri methyl cyclohexanone, hexylene glycol and isophorone which are used in synthesis of pharma APIs. Product portfolio includes phosphorus derivatives such as phosphorus pentasulphide and phosphorus pentoxide which are used in synthesis of pharma APIs.

Technology leadership

- The company not only possesses the latest hydrogenation and oxidation technologies, but also possesses aldol condensation, pyrolysis, high temperature and pressure reactions, halogenation and dehydration technologies as well for manufacturing acetone derivatives and phosphorus-based derivatives
- The manufacturing facilities are automated with Distributed Controlled Systems (DCS) for attaining excellence in quality and production efficiency.

Competition for derivatives

In the global/export market, the company competes with manufacturers such as Arkema, Evonik, SI Group, and Solvay.

GLOBAL HOME AND PERSONAL CARE CHEMICALS INDUSTRY

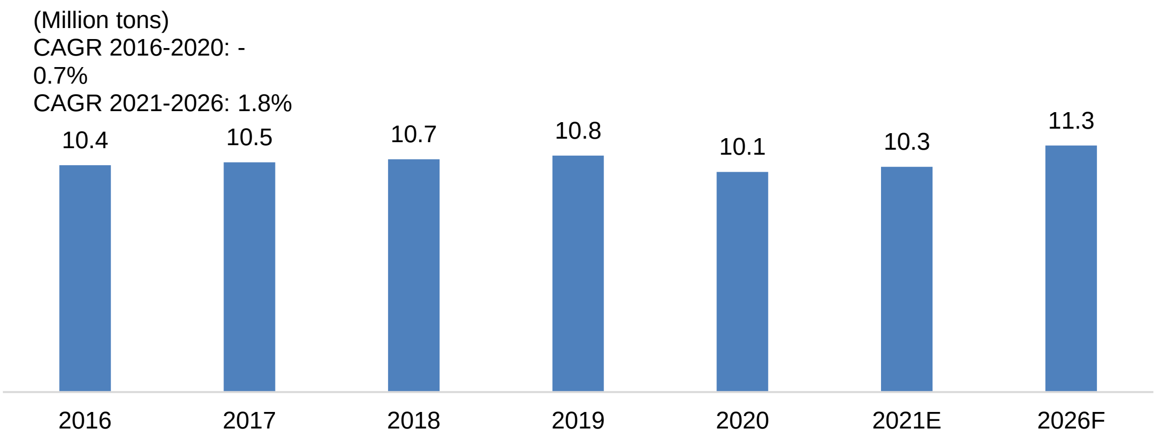
Industry overview

The global home and personal care chemicals industry was valued at $49 billion in 2021 and is expected to reach $59.5 billion during the forecast period (2021-2026) at a CAGR of 3.8%. In terms of volume, the market stood at 10.3 million tons in 2021 and is expected to clock a CAGR of 1.8% to reach 11.3 million tons by 2026.

BASF SE, Ashland, Croda International PLC, Evonik Industries AG, Solvay, Dow Corning, Clariant, J.M. Huber Corporation, etc are the key players in this industry. The top three countries in the global home and personal care chemicals market in 2020 were China ($8.3 billion), the US ($7.1 billion), and Japan ($4.1 billion). India stood seventh in the market with a market size of $2.6 billion in 2020.

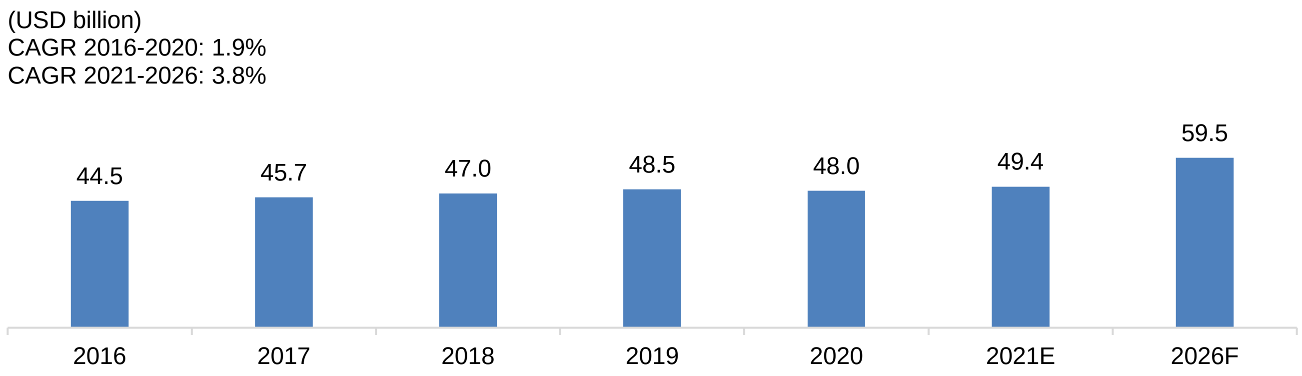
During the projected period, the market's growth is likely to be aided by increasing consumer awareness of beauty and skin care products, as well as growing demand for products containing active ingredients. The home and personal care chemicals industry is also expected to see growth due to significantly higher demand for household cleaning products owing to increasing consumer concerns about hygiene, cleanliness, and health.

Global home and personal care chemicals industry by volume



Note: E – Estimated, F - Forecast
Source: Mordor Intelligence

Global home and personal care chemicals industry by value



Note: E – Estimated, F - Forecast
Source: Mordor Intelligence

Key growth drivers

Growing aroma chemicals market

One of the primary factors driving the global home and personal care chemicals market is the growth seen in aroma chemicals over the past few years, on account of higher demand for fragrant intensifiers and odorants. Millennial demand, personal grooming trends, and beauty influencers on social media are all potential market growth factors driving the adoption of fragrant intensifiers and odorants in the aroma chemicals market.

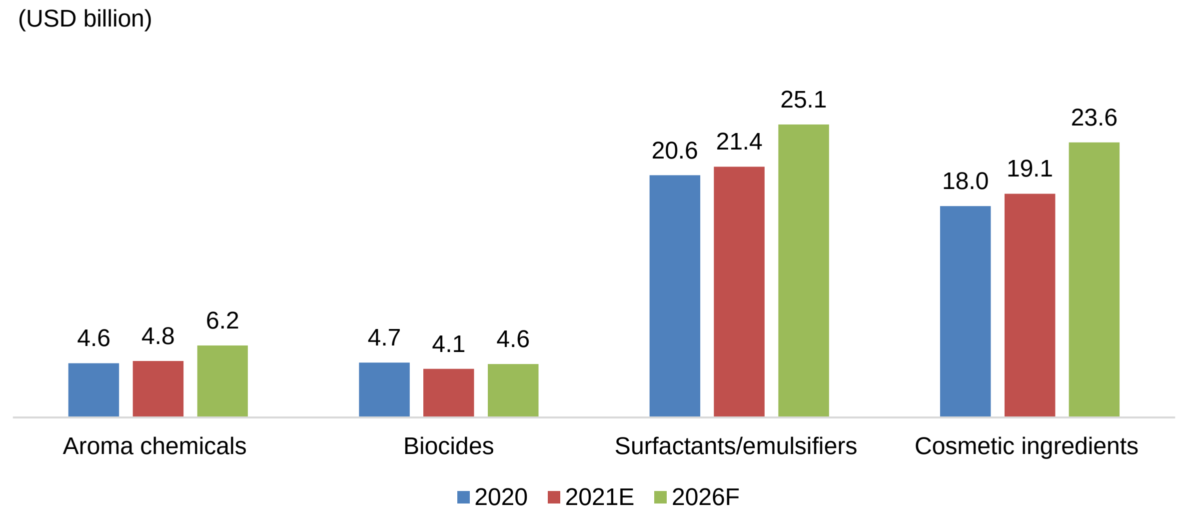
Increased usage of surfactants and emulsifiers

Another reason for expansion of the global home and personal care chemicals market is the growth seen in surfactants and emulsifiers. Surfactants are used in a variety of products such as detergents, fabric softeners, emulsions, soaps, etc for cleaning, wetting, dispersing, etc. The surfactant and emulsifier market's expansion is being fuelled by the Asia Pacific region's growing population and urbanisation. Furthermore, because of the pandemic, there is a greater awareness of items such as hand sanitisers in which surfactants are used as a raw material.

Industry by product type

The global home and personal care chemicals industry has been segmented by product type into aroma chemicals, biocides, surfactants/emulsifiers, and cosmetic ingredients.

Segmentation of global home and personal care chemicals industry by product type



Note: E - Estimated; F - Forecast
Source: Mordor Intelligence

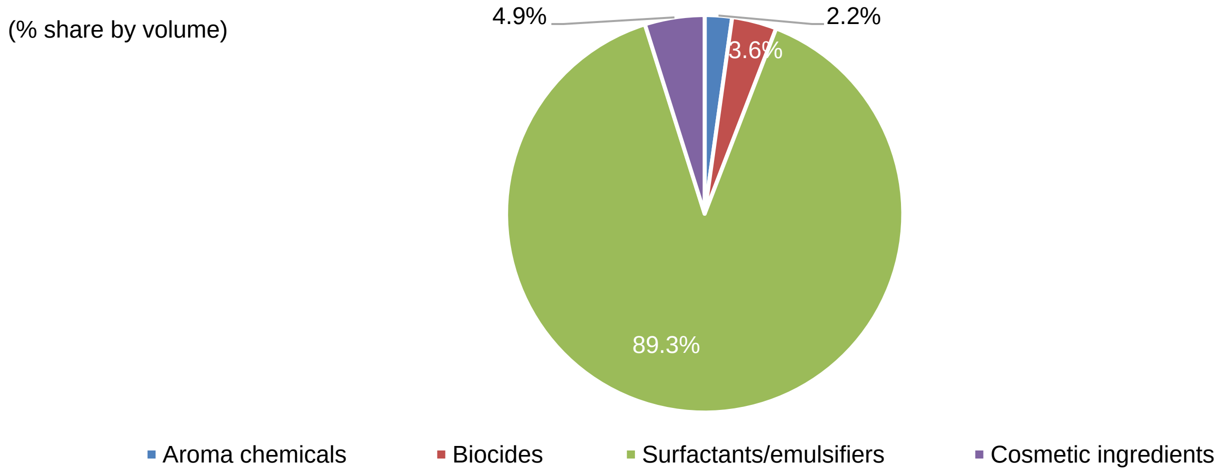
Aroma chemicals - Aroma chemicals are substances with a complex and distinctive scent that improve the aroma or fragrance of the formulations in which they are used. Aroma chemicals are often used to enhance the fragrance of cosmetics, skincare, hair care, personal care, and household cleaning products.

Biocides – A biocidal product is a chemical mixture that includes an 'active component'. The active ingredient has a calming effect on the pathogenic organism. Disinfectants, wood preservatives, and insect repellents are all common examples. Disinfectants and general biocidal products, preservatives, pest control, and other biocidal products are the four major categories of biocides.

Surfactants/emulsifiers – Surfactants adsorb at the oil-water contact, reducing surface tension. Surfactants are used in a variety of products such as detergents, fabric softeners, motor oils, emulsions, soaps, paints, adhesives, inks, anti-fogs, ski waxes, snowboard wax, deinking of recycled papers and in applications such as cleaning, wetting, dispersing, emulsifying, foaming, and anti-foaming agents, and so on.

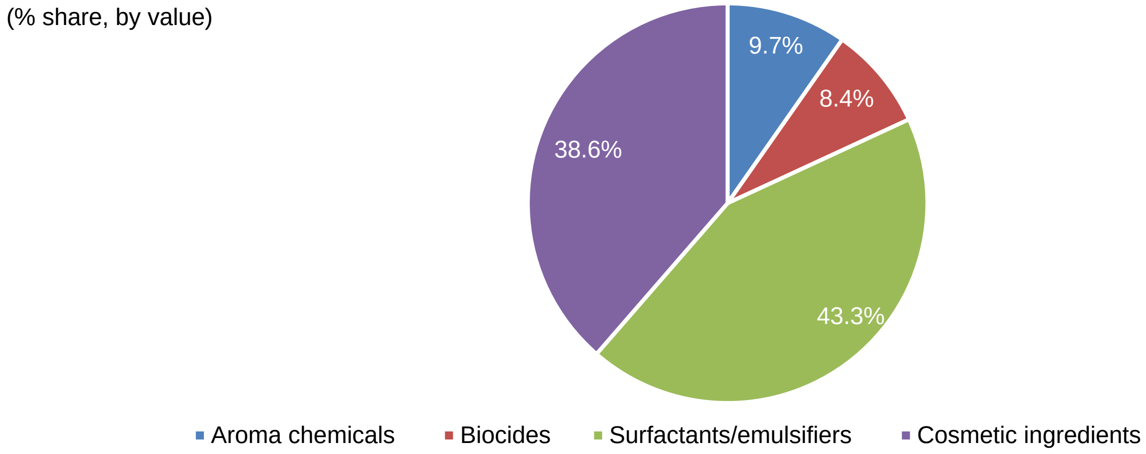
Cosmetic ingredients – Cosmetic ingredients are the elements that go into the formulation and composition of cosmetics.
Of all the product types mentioned above, surfactants/emulsifiers had 89.3% market share in 2021 by volume. And the trend is expected to continue over the forecast period. The Asia Pacific region's growing population and urbanisation are fuelling the expansion of the surfactants/emulsifiers' market.

Surfactants/emulsifiers had the largest market share by volume in 2021



Source: Mordor Intelligence
By value, surfactants/emulsifiers held 43.3% market share of the global home and personal care chemicals market, followed by cosmetic ingredients with 38.6% market share in 2021.

Cosmetic ingredients had the second-largest share of the global home and personal care market in 2021



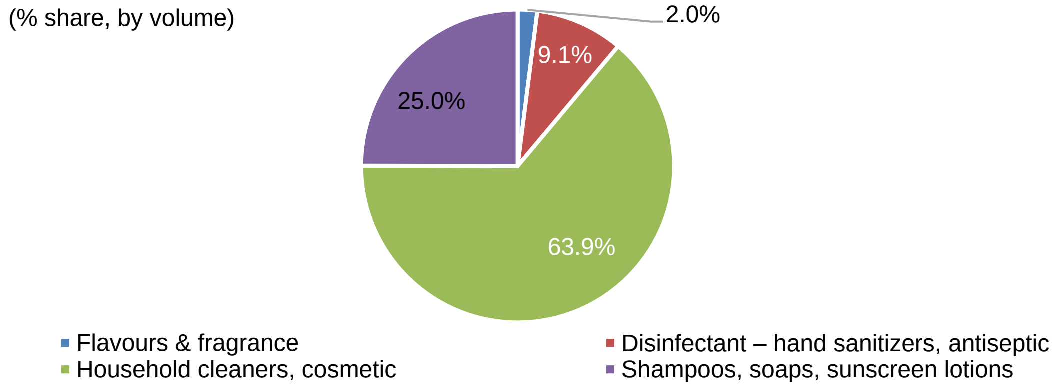
Source: Mordor Intelligence

Some of the primary drivers of the cosmetic ingredients market are rising urbanisation, an increase in the number of working women, changing lifestyles, and greater awareness of cleanliness and skin care.

Industry by application

The global home and personal care chemicals industry has been segmented by application into flavours and fragrance; household cleaners and cosmetics; disinfectants – hand sanitisers and antiseptics; and shampoo, soap, and sunscreen lotions. Of these, household cleaners and cosmetics held the largest share by volume in 2021 with 63.9% market share, followed by shampoos, soaps and sunscreen lotions with 25% market share and then disinfectants – hand sanitisers and antiseptics with 9.1% market share.

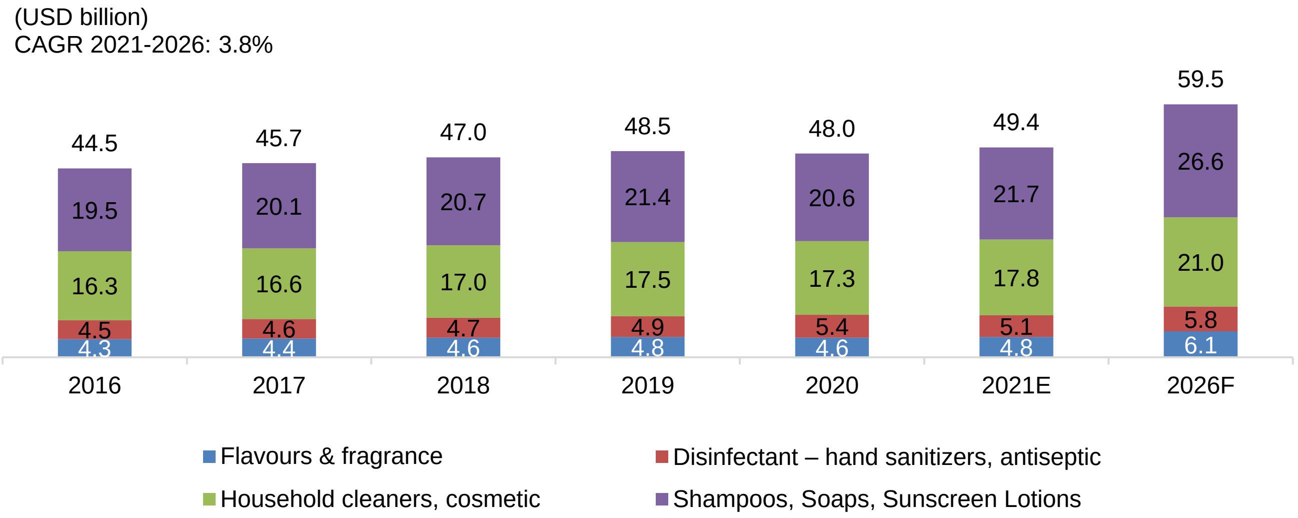
Segmentation of global home and personal care chemicals market by application in 2021



Source: Mordor Intelligence

Disinfectants – hand sanitisers and antiseptics exhibited 11% y-o-y growth in 2020 which was highest driven by pandemic. The pandemic has made consumers more aware about health and hygiene.

Shampoo, soaps, and sunscreen lotions held the biggest market

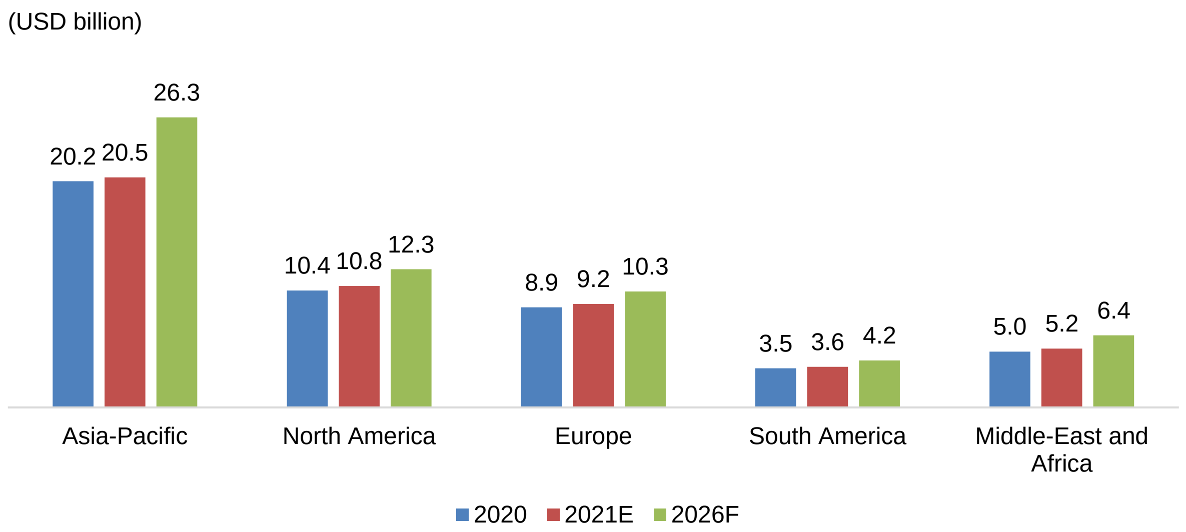


Note: E - Estimated; F - Forecast
Source: Mordor Intelligence

Industry by geography

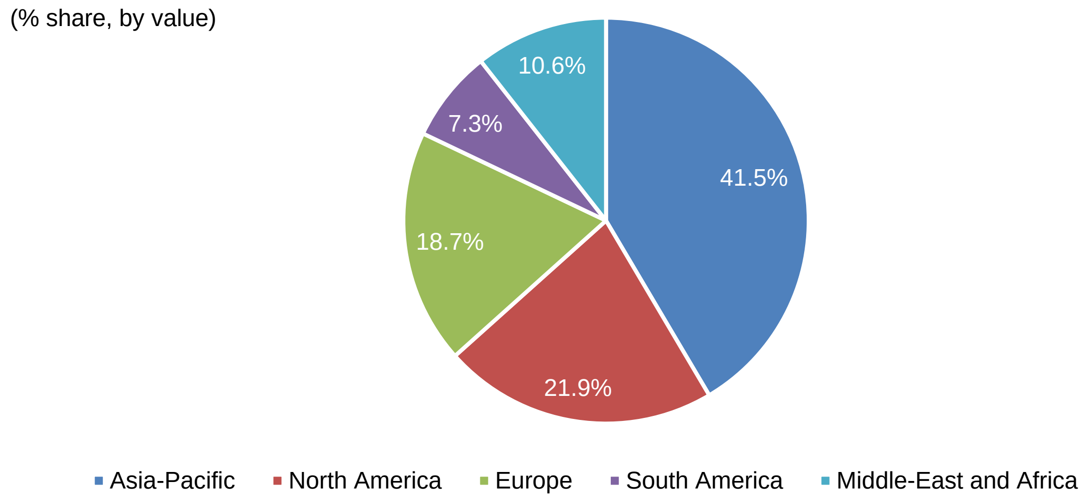
The global home and personal care chemicals industry has been segmented by region into North America, APAC, Europe, South America, and MEA.

Global home and personal care chemicals market by geography



Note: E - Estimated; F - Forecast
Source: Mordor Intelligence
Of these, APAC held 41.5% share by value in 2021 followed by North America with 21.9% share. And the trend is expected to continue over the forecast period.

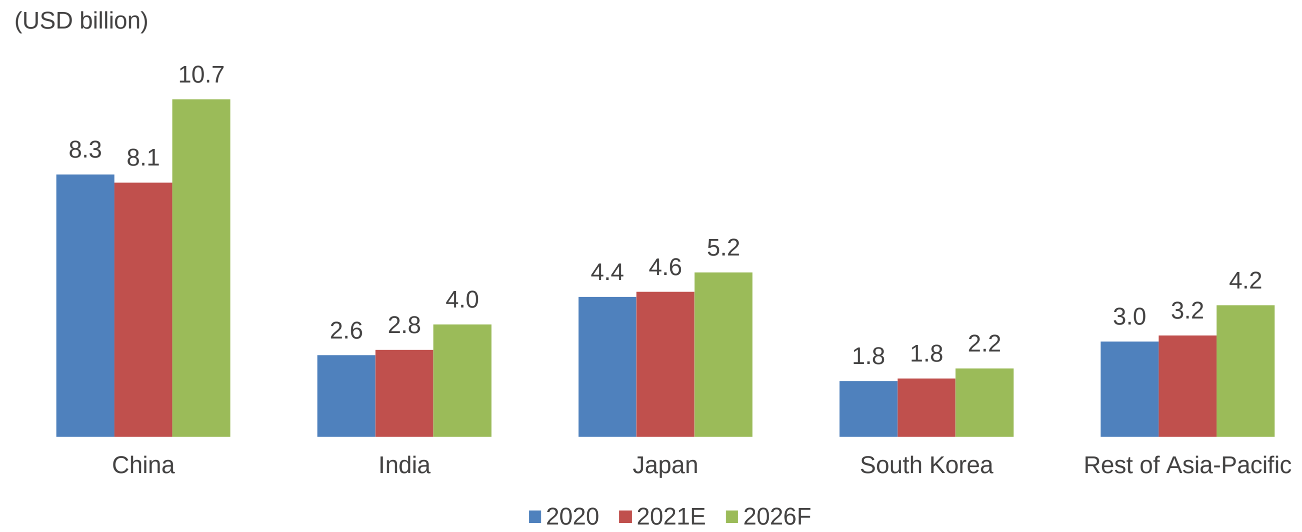
APAC held the largest share by value in 2021



Source: Mordor Intelligence

Compared with developed or even developing economies, APAC currently has a low penetration of personal care goods. However, as the economy improves and consumers' purchasing power increases in APAC, the adoption of personal care products is predicted to rise over the forecast period (2021-2026), fuelling demand for home and personal care chemicals in the region.

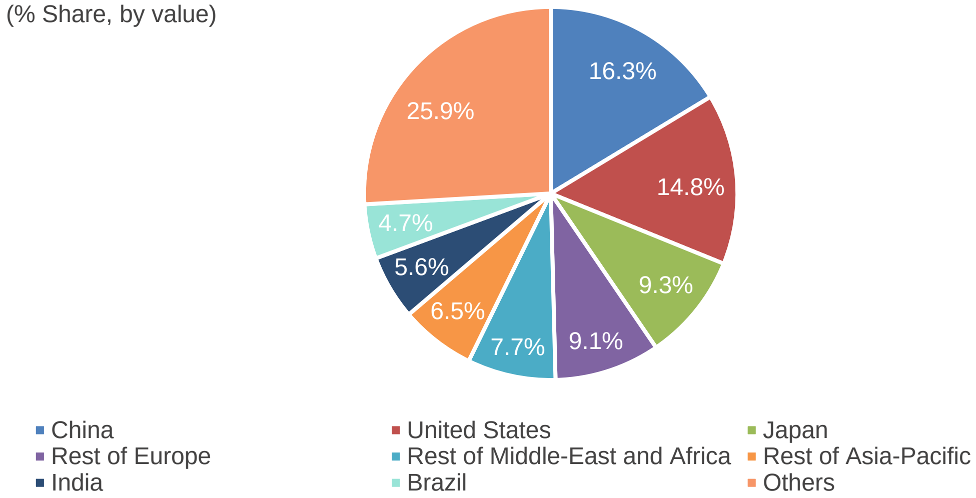
APAC home and personal care chemicals market by countries



Note: E - Estimated; F - Forecast
Source: Mordor Intelligence

Such factors are expected to drive the use of personal care chemicals in APAC over the forecast period. China was the leading country in the global home and personal care chemicals market with a 16.3% share in 2021, followed by the US (14.8%) and Japan (9.3%).

China Led the Home and Personal Care Chemicals Market in 2021



Source: Mordor Intelligence

INDIAN HOME AND PERSONAL CARE CHEMICALS INDUSTRY

Industry overview

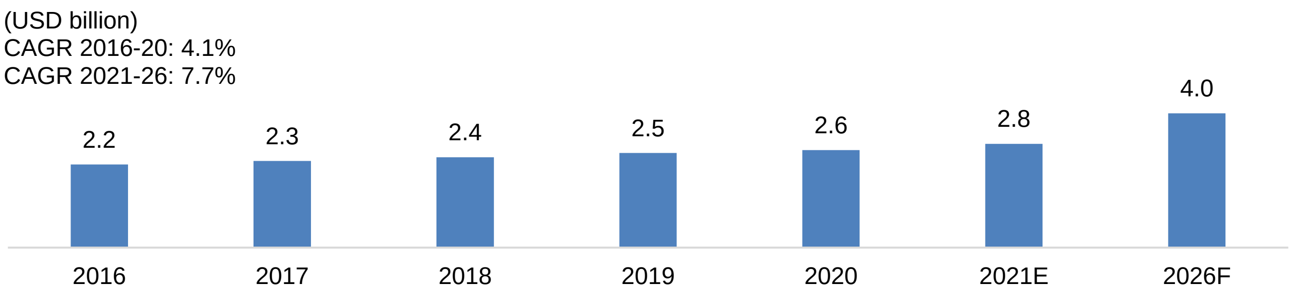
The Indian home and personal care chemicals market is expected to increase at a CAGR of 7.7% to ~$4 billion by 2026 from $2.8 billion in 2021.

The Indian home and personal care chemicals industry growth during the forecast period is attributed to rising income in the country, easy availability of personal care products, and diversification of product portfolios of companies.

With over 1,500 manufacturers of home and personal care chemicals in India, the market is fiercely competitive. Domestic small and medium-sized businesses dominate the market, accounting for more than half of total sales. Multinational corporations, on the other hand, currently account for around 35% of the market. The leading multinational players in India are BASF India Ltd and Clariant Chemicals.

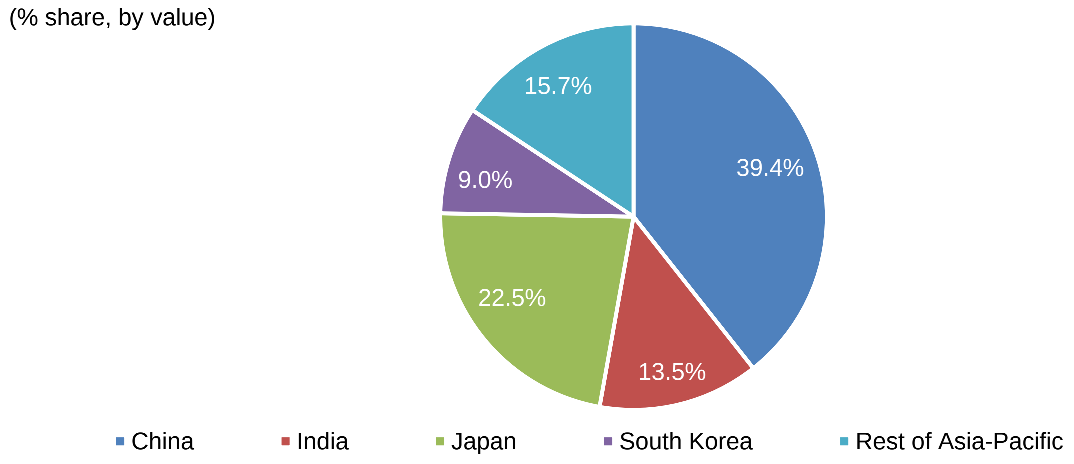
Other major players in the India home and personal care chemicals market are: Privi Organics India Limited, BASF SE, Kao Corporation, Takasgo International Corporation, Givaudan, Bell Flowers & Fragrances, Symrise, S H Kelkar and Company, Aquila Organics, Kalpsutra Chemicals, Karnataka Aromas, Auxilife Scientific Services Pvt. Ltd., Synthite Industries, Kumar Organics, Vivimed Laboratories, and Sami Labs.

Indian home and personal care chemicals market will reach $4.0 billion by 2026



Note: E – estimated, F – forecast
Source: CRISIL Research

India ranked second in APAC home and personal care chemicals market in 2021



Source: CRISIL Research

Key growth drivers

Growth in the aroma chemicals market

The aroma chemicals market is increasing rapidly in India, thanks to rising disposable income, increasing demand for beverages and processed foods, rising popularity of novel flavours, and rising need from diverse food applications. Further, growing consumer awareness about the importance of maintaining personal hygiene has boosted demand for cleaning goods and toiletries containing scent compounds. The popularity of cosmetics and personal care products such as peels, facemasks, creams, and other similar items are also contributing to the market's growth. Aromatherapy is also becoming more popular for maintaining emotional and psychological well-being. All these factors are expected to drive the aroma chemicals market, thereby driving the overall home and personal care chemicals market in India.

Increasing use of biocides and disinfectants for water treatment

Water chemicals in India are largely driven by the industrial and municipal water treatment industries. In India, biocides are mostly used to destroy undesired microorganisms in wastewater and industrial water treatment. The use of chlorine for water disinfection and to prevent algal growth in industrial water handling equipment are two frequent biocide uses.

The stringent industrial effluent discharge standards set by the Central Pollution Control Board would substantially fuel the demand for water chemicals in the country. The power and energy sectors are the largest users of water chemicals in India, accounting for 88% of overall industrial water consumption. For corrosion control and boiler treatment, power plants require cooling and boiler chemicals, respectively. India has a massive power shortage, and the government has been developing multiple power projects for the past few years that are likely to be completed shortly, boosting demand for water chemicals even more.

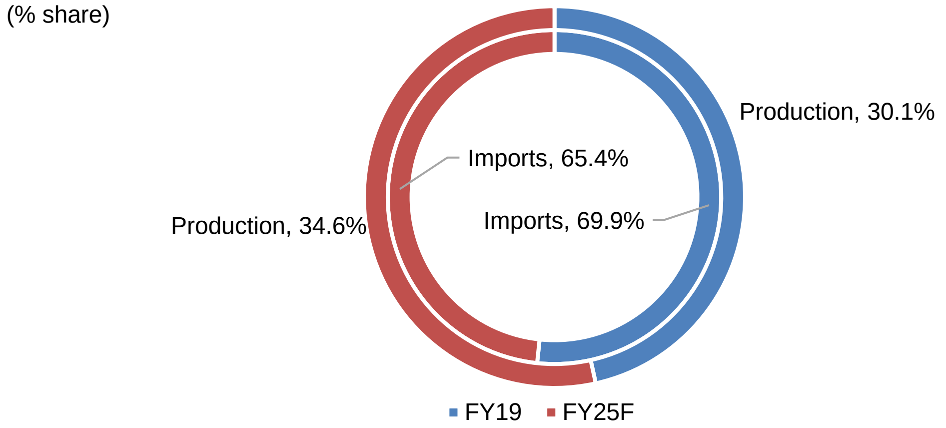
Changing lifestyle

Increasing demand for multi-functional personal-care products is driving the demand for personal-care chemicals; growing worldwide demand for green products is also fuelling India's export potential, and men's grooming is another new category that is projected to drive the entire industry.

Domestic consumption trend divided by local production and imports

India is expected to see increased local production over the forecast period (2021-26). The share of production is expected to improve to 34.6% by fiscal 2025 from the current 30.1%. Favourable government schemes promoting local manufacturing and reducing import dependency on China are some of the factors that will drive local production in the country.

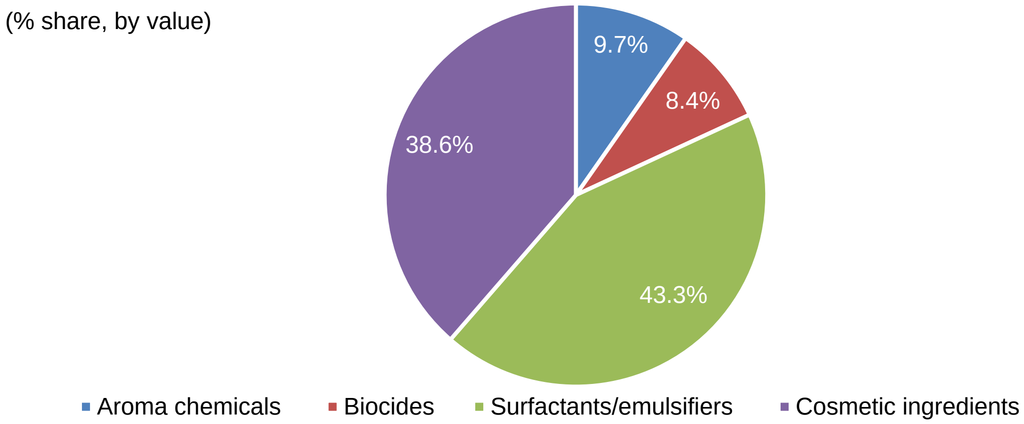
Local production to grow and imports to reduce by 4-5% in the next five years



Source: CRISIL Research
Note: % share is in value terms; imports vs local/domestic production (used in domestic consumption)

Industry segmentation by product types

Surfactants/emulsifiers held the largest share in 2021



Source: CRISIL Research

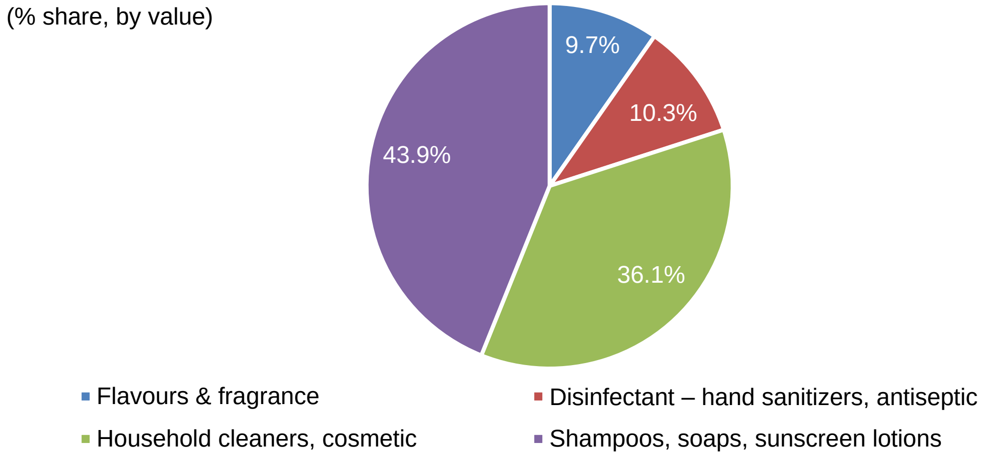
Surfactants/emulsifiers held the largest market share (43.3%) in 2021. This trend is expected to continue over the forecast period (2021-26).

Surfactants are widely used in India in household cleaning products and detergents. They are also widely used in body care, cosmetics, and industrial cleansers. Surfactants have high demand because a surfactant component has many functions. For instance, detergents, industrial cleaners, and cosmetics all contain the same surfactant component, however, the concentration and purity criteria vary depending on the application. Therefore, with growing detergents, industrial cleaners, and cosmetics industries in the country, the demand for surfactants is only going to increase. Demand for eco-friendly (bio-based) surfactants is also driving the growth of surfactants in the country.

Godrej Industries, Aarti Industries, Venus Ethoxyethers, Viswaat Chemicals, Advance Surfactants, and Unitop Chemicals are a few Indian players in this area.

Industry segmentation by applications

Shampoos, soaps, and sunscreen lotions led the market in 2021



Source: CRISIL Research

Increased usage of active ingredients that add functionality to personal care products, such as shampoos, soaps, sunscreen lotions, and creams, is driving the demand for personal care chemicals in India. Active ingredients include anti-ageing agents, exfoliants, conditioning agents, and UV protecting agents.

Drivers of personal care chemicals in India

Increasing penetration — Personal care product penetration in India has been quite low compared with developed or even other developing nations; it is anticipated that a substantial increase in personal care product uptake, particularly in rural areas is going to drive the market.

Premiumisation — Increased consumption of high-end, discretionary, and prestige products, which typically use higher-value active ingredients, is also driving the personal care chemicals market growth in India.

Flavours and fragrances are one of the fastest growing applications of personal and home care chemicals in India. Changing food habits and the acceptance of fragrances as an integral part of everyday personal care are two key development drivers. Increased penetration of personal care items in rural areas, premiumisation of personal care and cosmetic products, and desire for processed food products would all expect to contribute to the growth of the market.

Prasol Chemicals' key competencies in the market

Product leadership

- Product portfolio includes acetone derivatives such as diacetone alcohol, hexylene glycol, mesityl oxide which finds applications in synthesis of flavours and fragrances, cosmetic formulation household cleaners while phosphorus-based products are used to make cosmetic ingredients

Technology leadership

- The company not only possesses the latest hydrogenation and oxidation technologies, but also possesses aldol condensation, pyrolysis, high temperature and pressure reactions, halogenation and dehydration technologies as well for manufacturing acetone derivatives and phosphorus-based derivatives
- The manufacturing facilities are automated with Distributed Controlled Systems (DCS) for attaining excellence in quality and production efficiency

Competition for derivatives

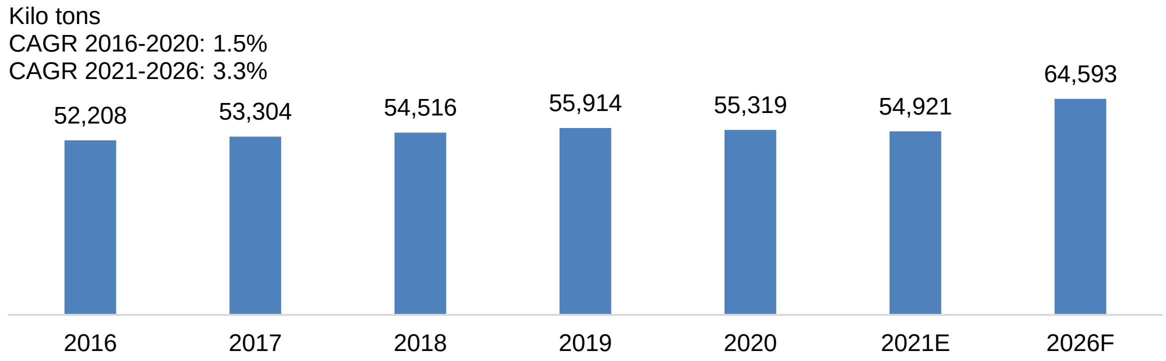
- In the global / export market, it competes with manufacturers such as Arkema, Solvay, SI Group, Altivia and Monument Chemical.

GLOBAL PERFORMANCE CHEMICALS INDUSTRY

Industry overview

By volume, the market had 54,921 kilo tons in 2021 (est). It is expected to expand at a CAGR of 3.3% to 64,593 kilo tons by 2026 (f).

Global performance chemicals industry by volume

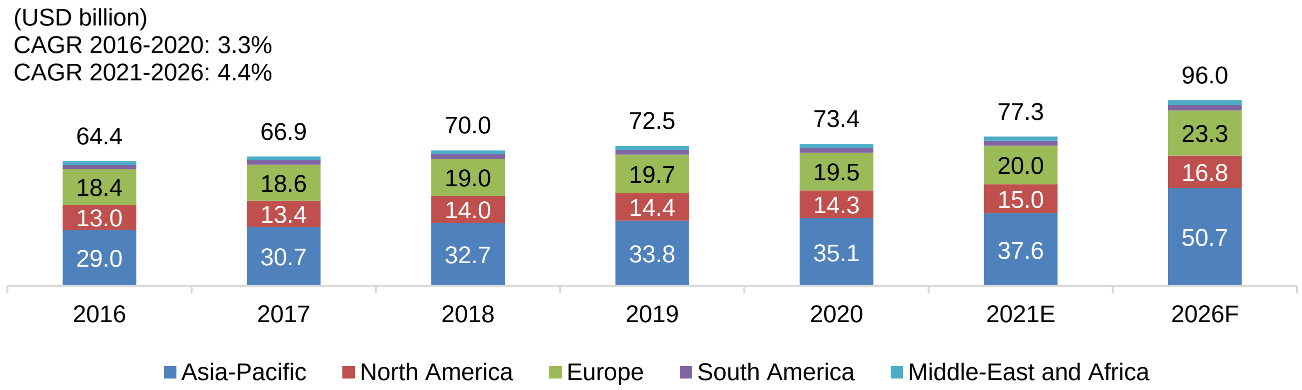


Note: E – estimated, F – forecast
Source: Mordor Intelligence, CRISIL Research

Key players of the industry are BASF SE, Ashland Inc., Evonik Industries AG, Dow Chemicals, Clariant AG, Akzo Nobel N.V., and Bayer AG.

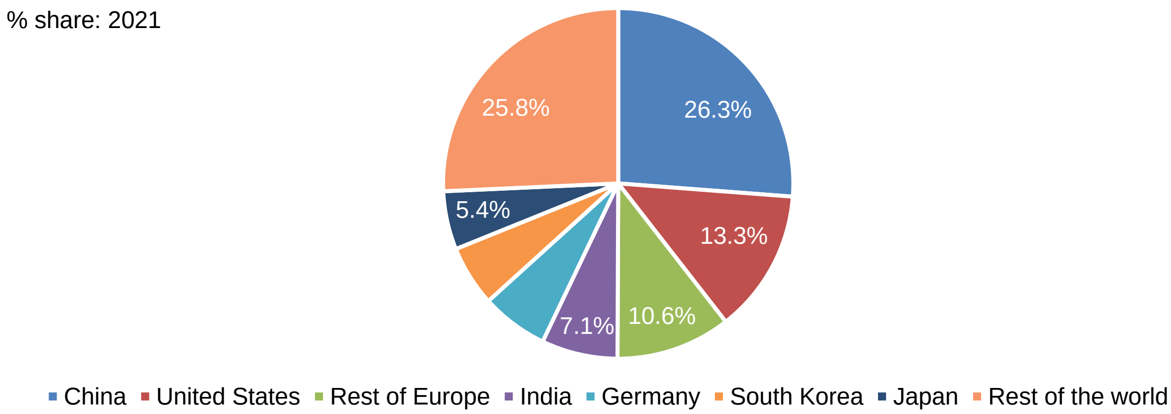
In terms of value, the global performance chemicals industry amounted to $77.3 billion in 2021. It is expected to expand at a CAGR of 4.4% to $96 billion by 2026. The top two countries in the global performance chemicals market in 2021 are China ($20.3 billion, 26.3%) and the US ($10.3 billion, 13.3%).

Global performance chemicals industry by value



Source: Mordor Intelligence, CRISIL Research

China led the performance chemicals market, in value terms ($ billion)



Source: Mordor Intelligence

Key growth drivers

Growing use of surfactants and emulsifiers

During the projected period, the market's growth is likely to be buoyed by growth in surfactants/emulsifiers. Surfactants are used in a variety of products such as cleaning, wetting, and dispersing, and in applications, such as detergents and fabric softeners.

Increased usage of water treatment chemicals

Water treatment chemicals are yet another category driving the overall performance chemicals market. They are high in demand because of the efficacy they bring in water treatment, especially in India, which has enormous potential for water treatment. This is particularly important as India accounts for 16% of the world’s population but has only 4% of the world's freshwater resources.

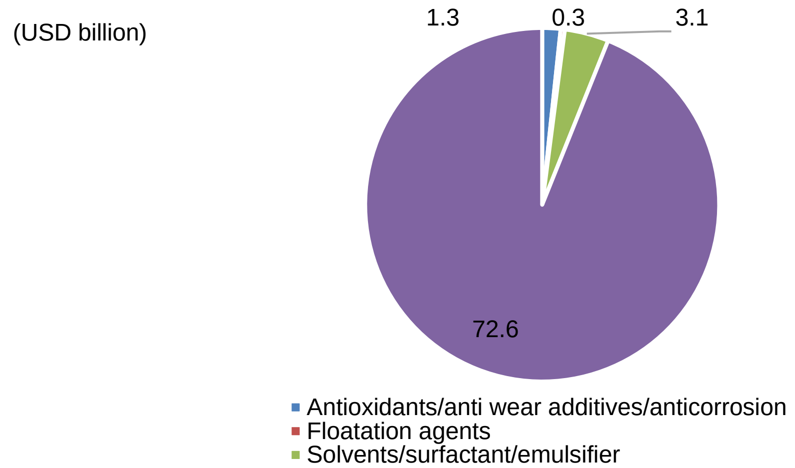
High demand of floatation chemicals/agents in mining processes

Another factor driving the overall global performance chemicals market is the increased usage of floatation chemicals in the mining industry for the mining and processing of both base mineral ores and precious metals. Floatation of various minerals, such as feldspar, quartz, calcite, potash, barite, phosphate, and fluorspar, is carried out using floatation chemicals. Most mined base mineral ores using floatation agents are iron and aluminium, while most mined precious metals using floatation agents are silver and gold.

Industry by product type

The global performance chemicals market by product type has been segmented into antioxidants/anti-wear additives/anticorrosion chemicals, floatation agents, solvents/surfactants/emulsifier, and chemical intermediates.
Chemical intermediates held the largest market in 2021. It is expected to expand at a CAGR of 4.2% to $89 billion by 2026 from the current $72.6 billion in 2021.

Global Performance Chemicals Industry by Product Type – Market size 2021



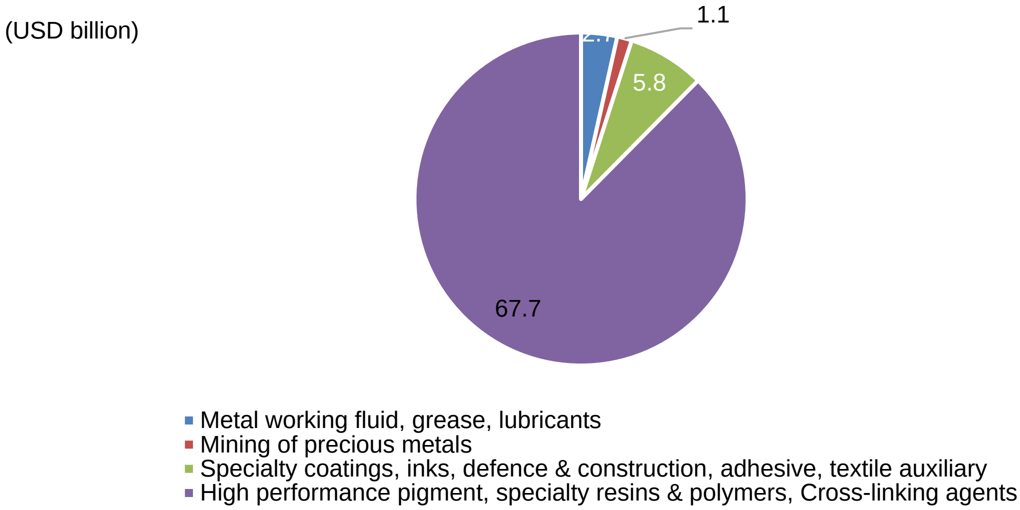
Source: Mordor Intelligence

The market for floatation agents is expected to expand at a CAGR of 6.9% to $0.4 billion by 2026. The market will be driven by increasing usage of these chemicals in the mining industry for the mining and processing of mineral ores.

Industry by application

The global performance chemicals market by application has been segmented into metal working fluid, grease, lubricants; mining of precious metals; specialty coatings, inks, defence and construction, adhesive, textile auxiliary; and high-performance pigment, speciality resins and polymers, and cross-linking agents.
High-performance pigment, speciality resins and polymers, and cross-linking agents constituted the largest market in 2021 (est.). It is expected to expand at a CAGR of 3% to $83 billion by 2026 from $67.7 billion in 2021.

Global performance chemicals industry by application – market size 2021

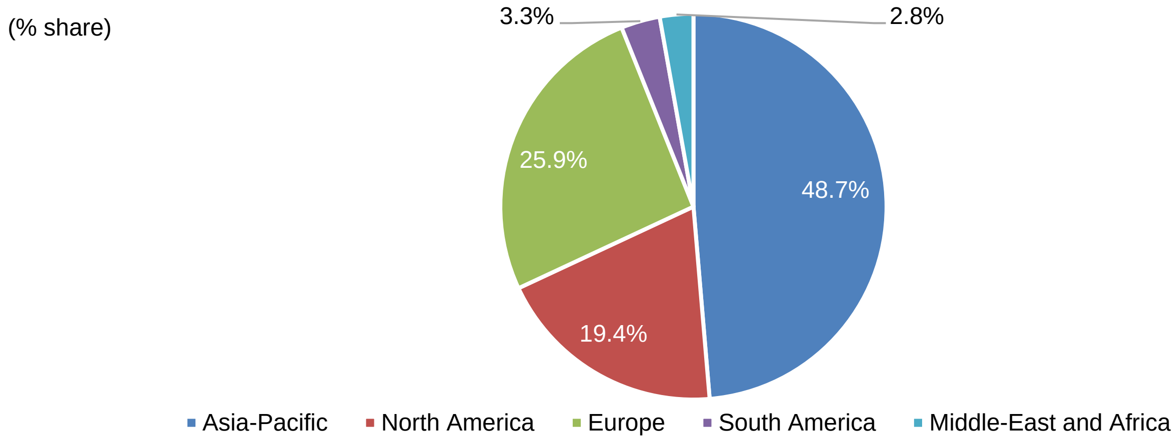


Source: Mordor Intelligence

Industry by geography

The global performance chemicals market by geography has been segmented into North America, APAC, Europe, South America, and MEA. APAC had the highest share (48.7%) in the market in 2021, followed by Europe (25.9%).

Global performance chemicals industry by geography – market share, in $billion, 2021

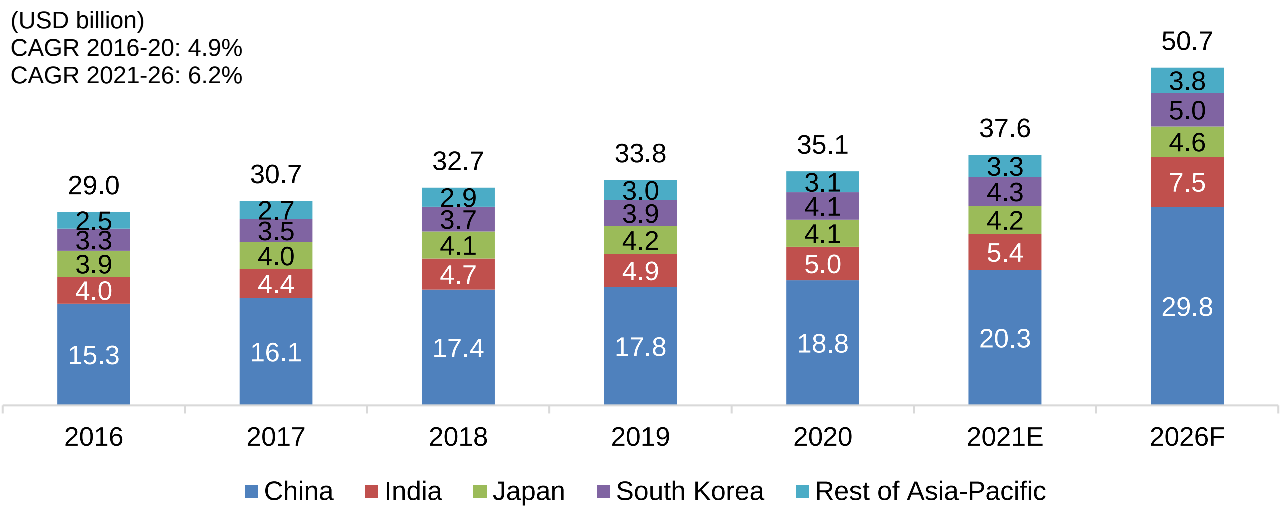


Source: Mordor Intelligence

India's positioning in the global performance chemicals industry

India was the second largest performance chemicals market in APAC after China in 2021. The Indian performance chemicals market is expected to reach $7.5 billion by 2026, with a CAGR of ~7% over the forecast period.

Focus on local manufacturing is driving India's growth



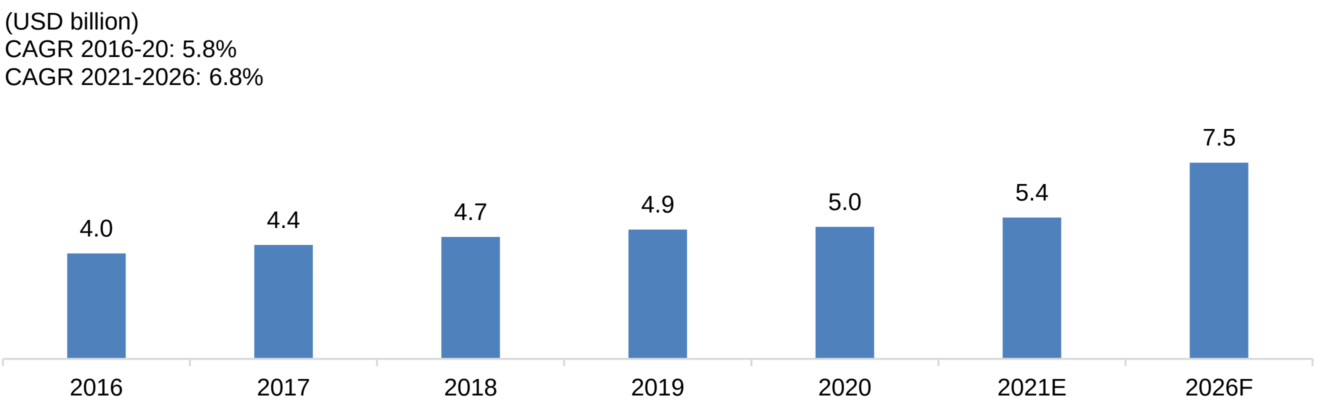
Source: Mordor Intelligence, CRISIL Research

India performance chemicals industry

Industry overview

The size of India's performance chemicals industry was $5.5 billion in 2021 and is projected to reach~ $7.5 billion by 2026 at a CAGR of ~6.8% over the forecast period (2021-2026).

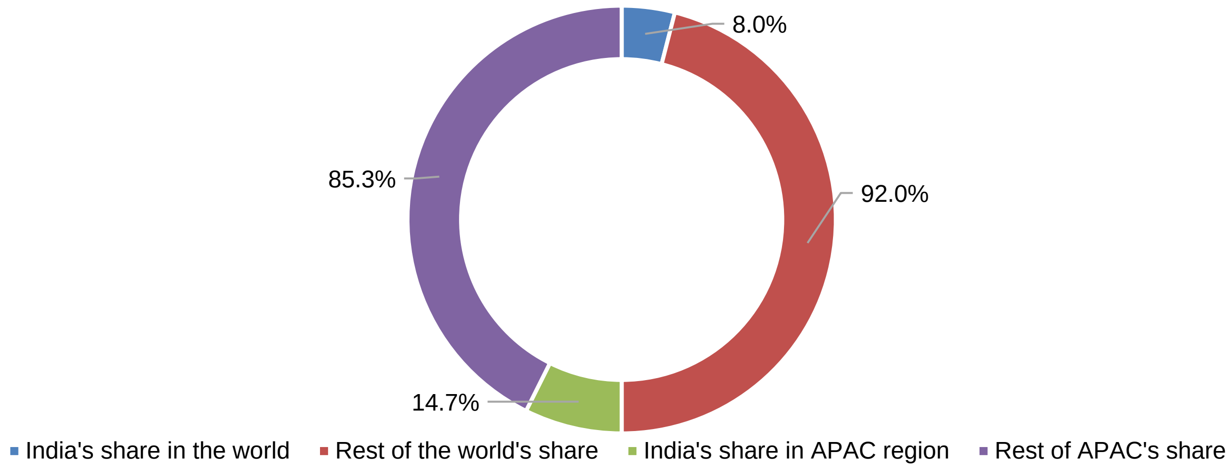
Industry is driven by growing demand for surfactants/emulsifiers and chemical intermediates



Note: E – estimated, F – forecast
Source: CRISIL Research

Factors such as 'China Plus One' strategy and an increase in the domestic chemical intermediate capacity are expected to drive the overall performance chemicals market in India. Additionally, India is estimated to witness substantial growth over the assessment period, favoured by rising mining activities for coal and metal extraction, which would drive the demand for floatation agents.

India’s position in the world and APAC performance chemicals industry in 2021



Source: CRISIL Research

The performance chemicals market of India has both organised and unorganised players.

Key companies in the Indian performance chemicals market are Tata Chemicals, Pidilite Industries, Gujarat Alkalies and Chemicals Limited, BASF India Ltd., UPL Limited, P I Industries, Solar Industries India Limited, Aarti Industries Limited, Cristol, Clariant Chemicals India Ltd, Amruta Industries, Galaxy Surfactants, Savannah Surfactants, Lankem Surfactants, Atul Ltd., GHCL Ltd., Gujarat Fluorochemicals Ltd and India Glycols Ltd.

Key growth drivers

Increasing demand for flotation agents/chemicals from the growing mining sector

India’s active mines generate 95 minerals, including four fuel-related minerals, ten metallic minerals, 23 non-metallic minerals, three atomic minerals, and 55 minor minerals (including building and other minerals). In the country, there is a lot of room for increased mining capacity in iron ore, bauxite, and coal. Steel production capacity is expected to expand to 300 MT by fiscal 2031, up from 134.6 MT in fiscal 2018, highlighting fresh potential in the sector. By implementing over 400 mineral-exploration projects on various mineral commodities, the Geological Survey of India has virtually increased its exploration activity. GSI created the National Geoscience Data Repository (NGDR) in January 2021 to compile the country’s geoscience data to generate high-quality baseline data for mineral development.

Froth-flotation chemicals majorly find applications in the mining industry for the recovery and purification of minerals and separation of impurities. As the consumption of both base metals and precious metals are rising in India, their recovery and purification will drive the demand for floatation agents, thus driving the overall demand for performance chemicals in the country.

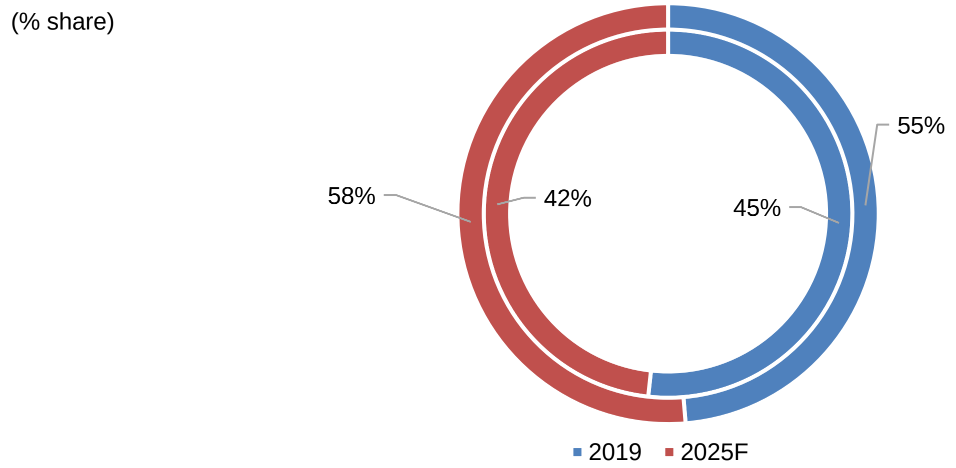
Growing chemical intermediates manufacturing in the country

India has a relatively good local manufacturing base for pigments, dye and dye intermediates and emerged as a global supplier, particularly for reactive, acid, vat, and direct dyes. The dyestuff industry in India is one of the most important segments of the chemicals industry, with forward and backward links to textiles, leather, paper, plastics, printing inks, and foodstuffs. The textiles sector consumes the greatest volume of dyestuffs (about 80% of the total dye production). The rise of industrial paints, printing, plastics, and tannery industries - all of which require dyestuff - is driving up demand for domestic dyes, thus driving the overall India performance chemicals industry.

Domestic consumption trend divided by local production and imports

India’s performance chemicals market is dependent on imports, as the raw materials required to manufacture dyes and intermediates are imported majorly from China. The high share of imports is also attributed to the fact that India imports raw materials to manufacture antioxidants and floatation agents. Though local manufacturing is expected to improve over the period until 2025, due to favourable government schemes promoting local manufacturing, import dependency will be over 40%.

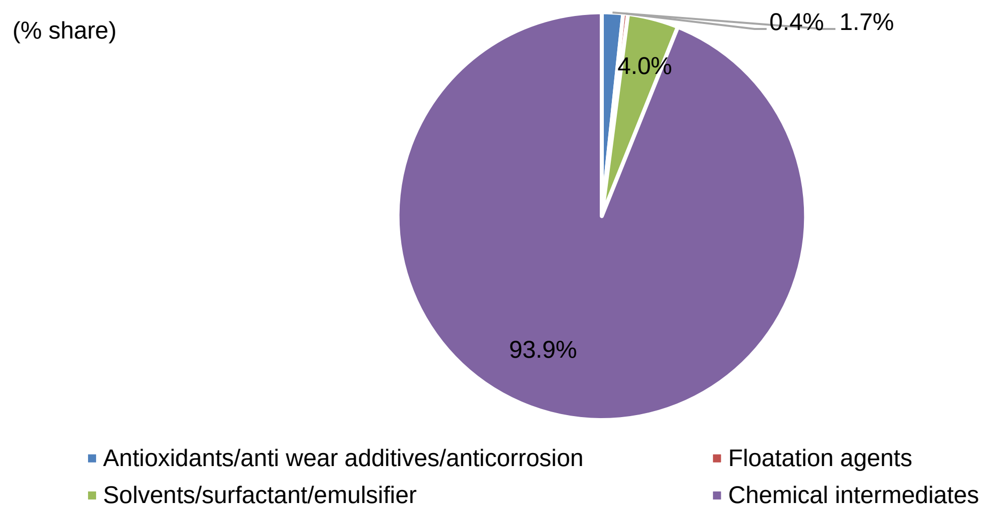
Import dependency of India to remain over 40% until 2025



Source: CRISIL Research
Note: Percentage share is in value terms; imports versus local/domestic production (used in domestic consumption)

Industry segmentation by product types

Chemical Intermediates held the largest share in 2021



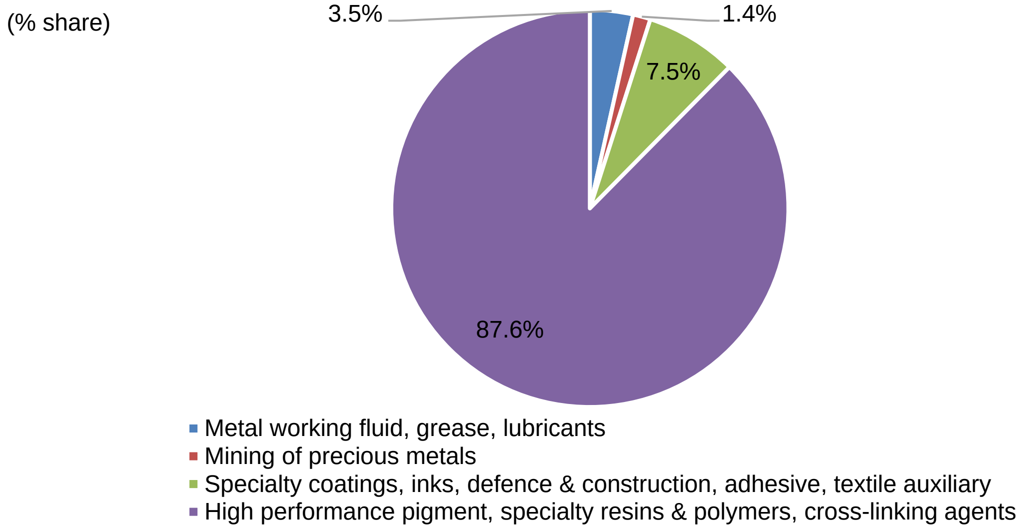
Source: CRISIL Research

Chemical intermediates held the largest market share in 2021, in value terms and the trend is expected to continue over the forecast period.

Since India has a relatively good local-manufacturing base for pigments, dye and dye intermediates, the country has emerged as a global supplier, particularly for reactive, acid, vat, and direct dyes. Dyes highly consumed in India are vat dyes, disperse dyes, reactive dyes, azoic, acid and direct dyes. Reactive dyes are gaining popularity due to better color fastness. Disperse and reactive dyes constitute the largest product segments in the country, constituting nearly 45% of dyestuff consumption. Vat dyes are superior to reactive dyes but are almost ten times more expensive. The dyestuff industry in India is one of the most important segments of the chemicals industry, driving the overall chemical intermediates market, thus driving the overall India performance chemicals industry.

Industry segmentation by applications

High-performance pigments, specialty resins and polymers, cross-linking agents led the market in 2021



Source: CRISIL Research

High-performance pigments, specialty resins and polymers, and cross-linking agents led the market in 2021, by value. The high demand for high-performance pigments, specialty resins and polymers, cross-linking agents was majorly from paint and coatings as well as adhesives and sealants markets, which find applications in the construction industry. Since the steady growth in the construction industry in India is driven by demand from real estate and infrastructure projects, it is going to drive growth in the performance chemicals market over the forecast period.

Prasol's key competencies in the market

Product leadership

- The company's product portfolio includes key acetone derivatives, such as diacetone alcohol, isophorone, trimethyl cyclohexanol and hexylene glycol, which find usage as additives in coatings, metal working fluids, printing inks, and cement
- The company manufactures phosphorus-based derivatives such as phosphorus pentasulphide and phosphorus pentoxide which find usage as lube additives, flotation agents and high-performance pigments.

Technology leadership

- The company not only possesses the latest hydrogenation and oxidation technologies, but also possesses aldol condensation, pyrolysis, high temperature and pressure reactions, halogenation, and dehydration technologies as well for manufacturing acetone derivatives and phosphorus-based derivatives
- The manufacturing facilities are automated with Distributed Controlled Systems (DCS) for attaining excellence in quality and production efficiency

Competition for derivatives

- The company is among the leading manufacturer for phosphorus and acetone derivatives and competes in the domestic market with the companies, such as Evonik, Arkema
- In the global export market, the company competes with companies, such as Solvay, ALTIVIA, SI Group, Arkema, Monument Chemicals, Evonik, TASCO and ITALMATCH.

ACETONE AND PHOSPHORUS DERIVATIVES MARKET

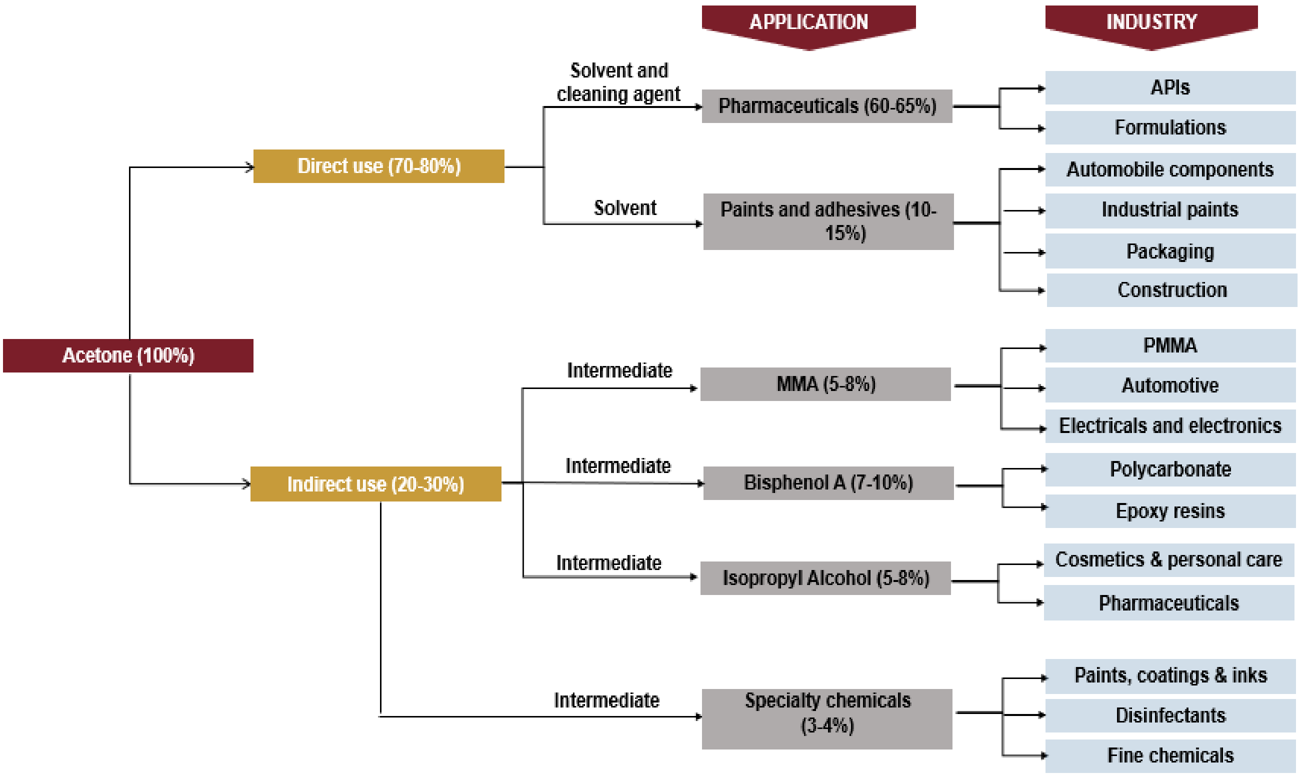
Acetone derivatives market

Acetone is an organic chemical, also known as 2-propanone and is used to manufacture bulk pharmaceuticals, agro chemicals, dye stuffs, certain explosives, and downstream chemicals. Acetone is manufactured from benzene and propylene. These materials are first used to produce cumene, which is then oxidised to form cumene hydroperoxide before being split into phenol and its co-product, acetone.

The three major applications of acetone are in the manufacture of solvents, Methyl Methacrylate, and Bisphenol A. Acetone is also used to manufacture many chemical derivatives, such as Methyl Isobutyl Ketone (MIBK), Isophorone, Diacetone Alcohol, Acetone Cyanohydron, Benzylacetone. It is also used to manufacture certain rubber chemicals or Oxy Acetylene Cellulose

Acetate. Most of the acetone consumption in India is from the pharma sector, where it is used as a solvent, intermediary and for cleaning purposes. The next major application of acetone is in paints and adhesives, where it is directly used.

Indian market review - domestic acetone consumption value chain



Source: CRISIL Research

Prasol Chemicals is among the leading forward integrated manufacturers of acetone derivatives in India. The company manufactures several key acetone derivatives, such as diacetone alcohol, isophorone, meta xylenol and others. Prasol faces little competition in the local market, due to the presence of limited acetone derivatives manufacturers in the domestic market. In the global market, Prasol competes with leading manufacturers, such as SI Group, Solvay, Evonik, Arkema and ALTIVIA

Acetone derivatives – Prasol Chemicals approved capacities and key competition

S. No	Key acetone derivatives	Prasol Chemicals Total approved capacity (tons/annum)	Key applications	Key competition
1	Diacetone alcohol	32,000	Agrochemicals, home & personal care, and performance chemicals	Monument Chemical, SI Group, Arkema, ALTIVIA and TASCO
2	Isophorone	12,000	Agrochemical formulation, performance chemicals, Disinfectant and Pharmaceutical API	
3	Hexylene glycol	Combined total approved capacity – 15,000	Pharma intermediate, aroma chemicals, cosmetic formulations, chemical intermediate, additive for metalworking fluid, cement additives	
4	3,3,5 Cyclohexanone			
5	3,3,5 Cyclohexanol			
6	Mesityl oxide	3,000	Used in fine chemistry in the synthesis of Pharmaceutical API	

S. No	Key acetone derivatives	Prasol Chemicals Total approved capacity (tons/annum)	Key applications	Key competition
7	DIBK	1,500	Solvent for specialty coatings, inks, extractants for pharmaceuticals	
8	2-MPD	2,000	Fragrance intermediate	
9	MIBK	5,000	Solvent for pharma and agrochemicals	
10	MIBC	3,000	Used as a frothier in mineral flotation and in the production of lubricant oil additives	
11	3,5 Dimethyl Phenol	3,000	Disinfectants, performance chemicals, pharmaceuticals, insecticides, fungicides	
Grand Total		**76,500**		

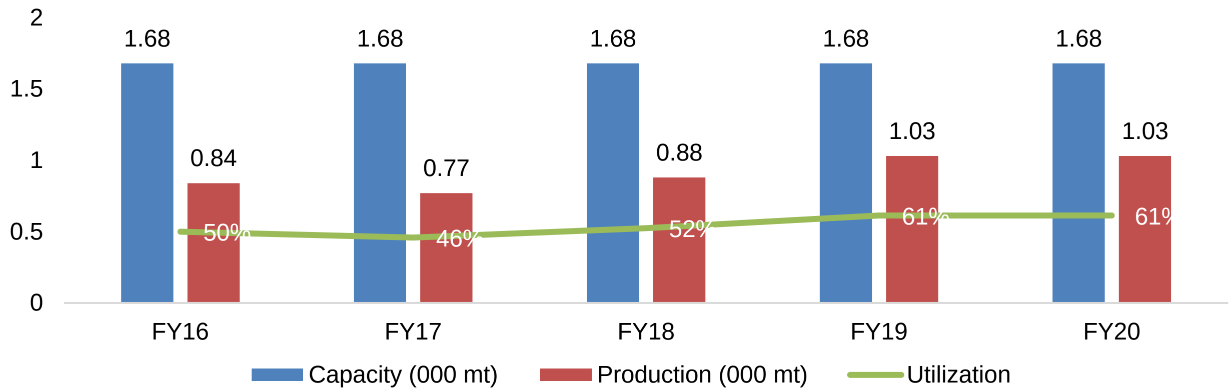
Note: Capacities mentioned are EC approved capacities
Source: CRISIL Research

Phosphorus derivatives market

Phosphorus forms several derivatives, of which ammonium phosphates have the highest market share. Its use in fertilisers has been driving its demand. Industrial phosphates (sodium, calcium, potassium, aluminium, and magnesium phosphates), phosphoric acid, phosphorus chlorides, phosphorus pentasulphide, and phosphorus pentoxide are all major phosphorus derivatives.

Red phosphorus is an allotrope of phosphorus and a derivative of the P4 molecule. Red phosphorus finds applications in the manufacturing of phosphoric acid, semi-conductors and as a flame retardant for polymers. It is also used in pharmaceuticals for synthesis of drugs. Leading manufacturer of red phosphorus is United Phosphorus Ltd. The total annual installed capacity in India is 1,680 tonnes, while the production was 1,030 tonne in fiscal 2020.

Red phosphorus capacity and production



Source: Department of Chemicals and Petrochemicals

Products such as phosphorus pentoxide (P_2O_5) and phosphorus pentasulphide (P_2S_5) are imported into India in substantial quantities from China, as there are limited domestic manufacturers.

Prasol Chemicals is among the leading forward integrated manufacturers of phosphorus derivatives in India. Leading manufacturers of phosphorus pentasulphide (P_2S_5) globally are Italmatch chemicals, Perimeter solutions, FMC Corp, Hubei Xingfa and Prasol Chemicals while leading manufacturer in India for phosphorus pentoxide (P_2O_5) is Sandhya Organic Chemicals. In 2018, the Department of Commerce had imposed an anti-dumping duty for the 2018-2023 period on imports of phosphorus pentoxide from China.

Phosphorus derivatives – Prasol Chemical approved capacities and key competition

Product	Location	Prasol Chemical approved capacity (tons / annum)	Key applications	Key competition (Global & India)
Phosphorus Pentasulphide	Khopoli	10,000	Intermediate for manufacturing technical grade pesticides, lubricant oil additives, mining flotation agents and specialty chemicals	Italmatch chemicals (Italy), Perimeter Solutions (US), Hubei Xingfa (China), FMC Cheminova India (Subsidiary of FMC Corp, US)
	Mahad	12,000		
Phosphorus Pentoxide	Raigad	650	Manufacturing of phosphoric acid, as an intermediate for phosphate esters, which are used as surfactants, hydraulic fluids, and plasticizers	Sandhya Organic Chemicals (India)
ZincDialkyl Dithiophosphates (ZDDP)	Khopoli	3,500	Formulation of hydraulic fluids industrial gear oils, metalworking fluids and greases	Afton Chemicals (US), Infineum International Limited (UK)
	Mahad	6,000		
Specialty Phosphates	Khopoli	2,300	Lubricants, metal working fluids, emulsifiers, intermediate for surfactants	Solvay (Belgium), Senmin (South Africa)
Diethyl Thiophosphoric Acid (DETA)	Mahad	Combined 12,000	Pesticide intermediates	FMC Cheminova India (Subsidiary of FMC Corp, US)
Diethyl Thiophosphoryl Chloride (DETC)			Pesticide intermediates	
Dimethyl Thiophosphoryl Chloride (DMTC)			Pesticide intermediates	
Dimethyl Phosphoramidothioate (DMPAT)	Mahad	1,000	Pesticide intermediates	UPL Ltd
Red phosphorus	Mahad	2,000	Manufacturing matchboxes, smoke devices, flares, as a fire retardant	UPL Ltd
Grand total		**49,450**		

Source: CRISIL Research

OUR BUSINESS

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2019, 2020 and 2021 and the nine-month period ended December 31, 2021, included herein is derived from the Restated Financial Information, included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us", "Company" or "our Company" mean Prasol Chemicals Limited. For further information relating to various defined terms used in our business operations, see "Definitions and Abbreviations" on page 1. Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the specialty chemicals industry in India" issued in April 2022 (the "**CRISIL Report**"), prepared and issued by CRISIL, exclusively commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report which has been exclusively commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks". Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14. Further, we have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Financial Information or otherwise subjected to an examination, audit or review by our Statutory Auditors.*

Our fiscal year ends on March 31 of every year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" on pages 27, 148, 335, and 244, respectively. The actual results of the Company may differ materially from those expressed in or implied by the forward – looking statements

Overview

We are among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India. *(Source: CRISIL Report)* Our products have end uses in four segments namely pharmaceuticals, agrochemicals, home and personal care and performance chemicals.

Set forth below is our product offering along with the revenue generated, in terms of percentage of the total income, from each of our product categories for the applicable periods:

Products	Revenue generation (as a % of the total income)			
	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Acetone based specialty chemicals	48.20%	43.75%	44.22%	47.53%
Phosphorous based specialty chemicals	28.50%	29.14%	26.52%	25.13%
Other specialty chemicals*	22.47%	26.02%	28.62%	27.23%

**Includes chemicals other than acetone and phosphorous based specialty chemicals for the purposes of customization of products.*

Since incorporation, we have significantly expanded our business and scale of operations and have grown from a small scale manufacturer to a large diversified specialty chemical player with a global footprint. We are a Government of India certified Two Star Export House Company with the global distribution network spread across 45 countries across Asia, North America and the European Union as on December 31, 2021. The revenue from export of our products for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019 accounted for ₹ 1,342.79 million, ₹ 1,387.20 million, ₹ 1,406.47 million and ₹ 1,245.00 million, resulting into 21.24%, 23.04%, 26.30% and 24.96%, of our total income, respectively for such periods.

We continue to enhance existing products and develop new specialty products based on market demand and customer requirements. For instance, as of December 31, 2021, we manufactured 75+ specialty products which formed part of our portfolio and we have 32 products which are in the pipeline. Our new products have enabled us to further diversify our customer base across various industries. We remain focused on 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 efforts, 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. Several acetone and phosphorus derivatives are included in our product portfolio, which are used in the synthesis of agrochemical active ingredients (technicals) and formulations (*Source: CRISIL Report*). For instance, we manufacture various grades of intermediates which can be used in the agrochemical industry wherein we control the process and tailor-make the chemical composition of such intermediates to suit the requirements of the customers for their end uses.

We benefit from our experience in the industry and long-standing relationships with the clients such as PI Industries Limited, Bayer CropScience Limited, Solvay Specialities India Private Limited, Proctor & Gamble, Dr. Reddy's Laboratories Limited, Alembic Pharmaceuticals Limited, Coromandel International Limited, Arkema, Lubrizol India Private Limited, UPL Limited, Olon Active Pharmaceutical Ingredients India Private Limited, MSN Laboratories Private Limited, Oriental Aromatics Limited, Asian Paints Limited, Indoco Remedies Limited, Lanxess India Private Limited, Croda India Company Private Limited, Bharat Rasayan Limited, Hubergroup India Private Limited, Indian Additives Limited, Privi Speciality Chemicals Limited, Supriya Lifescience Limited, NGL Fine – Chem Limited and Everest Organics Limited. As a manufacturer of speciality chemicals, it is imperative for our products to be approved by customers. Our name is included in the filings maintained by our clients which acts as a significant entry barrier. Further, being empaneled or being approved by our clients is a pre – requisite for supply of our products to such customers which also acts as a significant 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. During such period we have also collaborated on complex chemistries, aimed at product customization and innovation, in order to develop products based on our client's specific requirements. The benefits of such long standing relationships have also resulted in sustained growth and success.

Our Khopoli Facility located in Maharashtra, has been certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas. We are also awarded with the "Splash Award" for annual performance for the year 2017 – 2018 for being the most proactive and progressive importer of the year from All India Liquid Bulk Importers and Exporters Association and a "silver medal" as a recognition for our EcoVadis Rating from EcoVadis Sustainability Rating. Our facilities are also subject to periodic audits by our customers, which ensures that our customers are able to confirm the continuance of quality of our facility and processes.

Our facilities are focused on usage of environmentally efficient equipment with zero liquid discharge for minimal emissions and wastage. All processes at our facilities are undertaken with state-of-art engineering systems to minimize organic emissions. Further, we have recently tied – up with Institute of Chemical Technology and Technolab, to develop new products from waste streams.

Key Financial Information

Certain of our key financial information is set forth below:

(in ₹ million except percentages and ratios)

Particulars	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total income	6,321.85	6,021.36	5,347.15	4,988.74
EBITDA	896.37	581.73	629.07	516.98
Asset Turnover Ratio	1.11	1.18	1.21	1.42
Debt to Equity	0.70	0.90	0.89	1.10
Net Debt to EBITDA*	1.66	2.68	2.00	2.60
ROCE*	18.47%	12.29%	16.70%	16.15%
ROE*	24.45%	14.95%	27.56%	22.13%
Net working capital days	0.80	(19.75)	3.86	15.80
EBITDA Margin	14.18%	9.66%	11.76%	10.36%
PAT	500.96	250.84	377.74	237.2
PAT Margin	7.92%	4.17%	7.06%	4.75%
Capital Expenditure	251.45	495.89	609.19	1,005.33
Net cash from operating activities	304.84	201.30	858.85	528.15

** Not annualized for the period ended December 31, 2021*

Our Strengths

Among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India

We are among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India. *(Source: CRISIL Report)* Our products have end uses in four segments namely pharmaceuticals, agrochemicals, home and personal care and performance chemicals. While in the global market, our Company competes with leading manufacturers, such as SI Group, Solvay, Evonik, Arkema and ALTIVIA, in the local market our Company faces little competition due to the presence of limited acetone derivatives manufacturers in the domestic market. *(Source: CRISIL 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 increased client base, all of which has in turn resulted in the growth of revenues over the years. From Fiscals 2019 to 2021, our total income and EBIDTA has increased at a CAGR of 9.86% and 6.08%, respectively.

Focus on research and development enabling diversified product portfolio and customised customer solutions

Our speciality chemicals are critical raw materials in sunscreens, shampoos, flavors, fragrance and disinfectants. We have continuously diversified our product portfolio to address the changing needs of the customers and applications. As of December 31, 2021, we had a portfolio of more than 140+ products and have a robust pipeline of 32 products under development which will enable us to cater to existing and new customers and markets. As on December 31, 2021, we have a qualified and experienced R&D team with 14 members comprising of scientists and chemical engineers. Further, we have launched 38 products in the last three Fiscals and the nine-month period ended December 31, 2021.

The table below provides details of our products and end uses:

Products	End-use
Acetone based specialty chemicals	• Pharmaceuticals – antidepressants, acid reflux and oncology. • Home and Personal Care – disinfectants, flavors and fragrance, sunscreen and shampoo. • Agrochemicals – crop protection, adjuvants for formulations. • Performance chemicals – specialty coatings, inks, antioxidants, anticorrosion and antiwear agents.
Phosphorous based specialty chemicals	
Other specialty chemicals*	

**Includes chemicals other than acetone and phosphorous based specialty chemicals for the purposes of customization of products.*

Due to our focus on research and development, we have been able to make customized products and solutions as per customer requirements which helps in achieving customer stickiness and higher margins. For instance, we manufacture various grades of intermediates which can be used in the agrochemical industry wherein we control the reactivity and tailor-make the chemical composition of such intermediates to suit the requirements of the customers for their end uses. Similarly, we manufacture a certain grade of intermediates which can be used in pharmaceutical industry for an API which helps our customers achieving significant increase in the conversion of their finished product. This unique innovation has resulted in pharmaceutical companies solely using our special grade intermediate for their application. Further, we believe our focus on research and development and experience enables us to offer value-added services to our customers in relation to application of products, improvement in effective utilization, increasing product efficiency, improving quality consistency, uninterrupted supply planning, and tanker supply facilities to save packing costs. Our focus on research and development also allow us to service customers in different industries in 45 countries. We strive to continuously monitor, analyse and adapt to changing consumer preferences across diverse geographies thereby ensuring that our products continue to remain relevant in evolving markets and help our customers enhance their brand value.

By working closely with our customers, we are able to innovate and develop technologies that can be applied effectively on our products. Our ability to have longstanding relationship with customers enables the stability of our revenue and facilitates the development of new product applications.

For the nine month period ended December 31, 2021 and Fiscal 2021, 2020 and 2019, our revenue from acetone based specialty chemicals was ₹ 3.046.90 million, ₹ 2,634.40 million, ₹2,364.48 million and ₹ 2,370.92 million, which represented 48.20%, 43.75%, 44.22% and 47.53%, of our total income, respectively.

For the nine month period ended December 31, 2021 and Fiscal 2021, 2020 and 2019, our revenue from phosphorous based specialty chemicals was ₹ 1,801.82 million, ₹ 1,754.49 million, ₹1,417.80 million and ₹ 1,253.86 million, which represented 28.50%, 29.14%, 26.52% and 25.13%, of our total income, respectively.

For the nine month period ended December 31, 2021 and Fiscal 2021, 2020 and 2019, our revenue from other specialty chemicals was ₹ 1,420.59 million, ₹ 1,566.51 million, ₹ 1,530.13 million and ₹ 1,358.21 million, which represented 22.47%, 26.02%, 28.62%, and 27.23% of our total income, respectively.

Long standing relationships with a diversified customer base

We believe that we have been able to establish long term 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. Our customers include PI Industries Limited, Bayer CropScience Limited, Solvay Specialities India Private Limited, Proctor & Gamble, Dr. Reddy's Laboratories Limited, Alembic Pharmaceuticals Limited, Coromandel International Limited, Arkema, Lubrizol India Private Limited, UPL Limited, Olon Active Pharmaceutical Ingredients India Private Limited, MSN Laboratories Private Limited, Oriental Aromatics Limited, Asian Paints Limited, Indoco Remedies Limited, Lanxess India Private Limited, Croda India Company Private Limited, Bharat Rasayan Limited, Hubergroup India Private Limited, Indian Additives Limited, Privi Speciality Chemicals Limited, Supriya Lifescience Limited, NGL Fine – Chem Limited and Everest Organics Limited. With many of such customers, our relationship extends to several years. 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.

Set forth below are the details of our relationship with our customers, the length of relationship and the expansion of product offering over the years for each product type:

Product Type	Customer Name	Length of relationship	Products supplied over years
Agrochemicals	Agrochemicals – Customer 1	11 years	Initially one increased to four
	Agrochemicals – Customer 2	Eight years	Initially one increased to six
Pharmaceuticals	Pharmaceuticals – Customer 1	13 years	Initially one increased to four
	Pharmaceuticals – Customer 2	Seven years	Initially one increased to four
Home and Personal Care	Home and Personal – Customer 1	Seven years	Initially one increased to eight
	Home and Personal – Customer 2	12 years	Initially one increased to nine
Performance Chemicals	Performance Chemicals – Customer 1	Seven years	Initially one increased to four
	Performance Chemicals – Customer 2	12 years	Initially one increased to four

Presently, our customers are from diverse geographies, which extends across 45 countries across Asia, North America and European Union, which 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. For the nine month period ended December 31, 2021 and for the Fiscals 2021, 2020, 2019, our revenue from top 10 customers accounted for ₹ 1,123.93 million, ₹ 1,226.47 million, ₹ 1,224.20 million and ₹ 742.59 million, respectively, which represented 17.78%, 20.37%, 22.89% and 14.89%, respectively of our total income.

Strong global presence

We are a Government of India certified Two Star Export House Company and cater to the markets across Asia, North America and the European Union. For the nine months period ended December 31, 2021 and Fiscals 2021, 2020, 2019, our revenue from exports amounted to ₹ 1,342.79 million, ₹ 1,387.20 million, ₹ 1,406.47 million and ₹ 1,245.00 million respectively, which represented 21.24%, 23.04%, 26.30% and 24.96%, respectively of our total income. As on date, we supply our products to 45 countries and have long standing relationships with our customers.

Set out below is the region wise split of our revenue from exports, as a percentage of our export revenue, for the applicable financial periods:

Region	% contribution to total export revenue			
	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Asia	51.79	45.60	50.39	53.00
North America	11.77	11.69	12.60	14.66
European Union	17.30	16.09	9.88	16.05
Others*	19.13	26.62	27.13	16.30
Total	**100.00**	**100.00**	**100.00**	**100.00**

*****_Includes Algeria, Argentina, Australia, Brazil, Chile, Colombia, Egypt, Ecuador, Israel, Jordan, Kenya, New Zealand, Nigeria, Paraguay, Republic of Belarus, Russian Fed, South Africa, Tunisia, United Kingdom, Uruguay, Ukraine._

Additionally, we have appointed sales channel personnel in Shanghai and London so as to enable us to market our products as well as understand customer needs and consequently, develop products to service customer requirements in these regions.
Set out below is a map indicating our export markets and diversified geographical presence:

Focus on long term sustainability through various environment friendly initiatives

We have a strong focus on sustainability in all aspects of our operations and over the years have adopted various green initiatives. We have been implementing practices where various waste streams are converted to value added products. For instance, we have recently tied – up with Institute of Chemical Technology and Technolab, to develop new products from waste streams.

We have adopted "zero" liquid discharge wherein no treated effluent from our manufacturing operations is discharged on to the land or into any water body and have set up effluent treatment plants which results in fully recycled use of water. In addition, for effective waste management, we have sophisticated engineering systems to curb organic emissions for all the solvent processes. Moreover, we maintain adequate green belt and promote various tree plantation drives.

We believe that having such a strong focus on sustainability is beneficial for our business operations as (i) we face minimal disruptions from neighbouring communities where our manufacturing facilities are located; (ii) we receive more enquiries from potential customers for custom manufacturing due to their increased focus on sustainability; and (iii) it helps reduce our power and water costs.

Experience of the Promoters and senior management team

We are led by qualified and experienced Board of Directors and key managerial personnel, who we believe have extensive domain knowledge and understanding of the global generic business environment and have the expertise and vision to organically scale up our business. Our executive directors have a collective industry experience of several decades.

We also attribute our growth to the experience of our Promoters and senior management team. Our Promoters, Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh, Pankil Nishith Dharia, Rakesh Gupta, Sachin Jatin Parikh, Suketu Navinchandra Parikh, Kunal Tushar Dharia and Nishith Rasiklal Dharia have been instrumental in our Company's growth and development. Our Company has benefitted from their commercial acumen gained on account of their experience. Members of our senior management team also boast significant experience and we believe will be instrumental in our Company's growth.

Consistent financial performance

We have approximately three decades of track record in manufacturing of acetone based specialty chemicals and phosphorous based specialty chemicals. We have experienced sustained growth with respect to the various financial indicators as well as a consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth.

The table below sets forth some of the key financial indicators for the nine month period ended December 31, 2021, Fiscals 2021, 2020 and 2019:

Particulars	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Revenue from Operations (in ₹ million)	6,269.32	5,955.40	5,312.40	4,983.00
EBITDA (in ₹ million)	896.37	581.73	629.07	516.98
EBITDA/total income (in %)	14.18%	9.66%	11.26%	10.36%
Profit after tax (in ₹million)	500.96	250.84	377.74	237.2
PAT/total income (in %)	7.92%	4.17%	7.06%	4.75%
Earnings per share (basic and diluted)	34.55	17.30	26.05	16.36
ROCE (%)*	18.47%	12.29%	16.70%	16.15%
ROE (%)*	24.45%	14.95%	22.56%	22.13%
EBITDA Margin	14.18%	9.66%	11.76%	10.36%
PAT	500.96	250.84	377.74	237.2
PAT Margin	7.92%	4.17%	7.06%	4.75%
Capital Expenditure	251.45	495.89	609.91	1,005.33
Net Cash from operating activities	304.84	201.30	858.85	528.15

** Not annualized for the period ended December 31, 2021*

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet and positive operating cash flows coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which are factors critical to our business. For further details on a comparative analysis of our financial position and revenue from operations, see the "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 335.

Our Strategies

Expand our production capacities and further diversify our product offerings

The speciality chemicals, within chemicals, are a key segment, valued at $750-770 billion at the global level in 2021, having grown at 3-4% CAGR from 2016 to 2021. Agrochemicals dominate the global speciality chemicals revenue pie, accounting for 8-10% share in 2021. Between 2021 and 2026, the market is expected to grow at 4-5% CAGR to $950-970 billion. The past two decades have seen a significant shift in the speciality chemicals industry, from developed countries (particularly the US) to emerging ones in the Asia-Pacific (APAC) region. In 2021, APAC accounted for bulk of the global speciality chemicals market, with a share of 48-50%, followed by North America and Western Europe. In terms of region-wise demand, India's specialty chemicals industry is expected to post 10-12% CAGR between 2021 and 2026, owing to rising demand from end-user industries, along with tight global supply on account of stringent environmental norms in China. In contrast, markets such as Americas, Europe and Japan are expected to clock less than 3% CAGR over the next five years because of industry saturation in these regions. China's speciality chemicals industry, which saw historic growth rates of ~20% and above until 2013, is expected to post slower 4-6% CAGR between 2021 and 2026. (*Source: CRISIL Report*).

To cater to such projected increase in demand, we propose to expand our manufacturing capacities by increasing the capacity of our existing facilities at Khopoli and Mahad in Maharashtra. Currently, we also have access to additional land at our existing manufacturing facilities, which provides significant headroom for future growth. Further, we intend to set up a new facility at Saykha Industrial Area in Gujarat for which our Company has acquired few acres of land from Gujarat Industrial Development Corporation, at Saykha to set up a chemical plant where we intend to manufacture acetone and phosphorous based specialty chemicals as well as other specialty chemicals. Going forward, we will continue to periodically review the functioning of our in–house product development strategy, identify scope for expansion and undertake projects to increase our production capabilities.

Increased focus on R&D to support complex chemistries, product innovation and cost efficiencies

We are an innovation led company with a dedicated focus on developing specialty products, customized to the specific needs of our customers. Some of our key R&D undertakings in the past have included manufacturing of hydrogenation of ketones, zinc based coordination complexes chlorination compounds, and dehydration of ketones and alcohols. We currently have a pipeline of products, which comprises 32 products under development as of December 31, 2021, allowing us to cater to new customers and markets.

With a view to further strengthen our focus on R&D, we continuously recruit and appoint scientists of varied experience and expertise at our R&D centre. We believe our strategic focus on R&D has been critical to our success and a differentiating factor in becoming one of the key suppliers of the specialty additives. Accordingly, we intend to continue to focus on R&D and product innovation to enable us to introduce new products, increase our productivity and operating efficiency, deepen penetration in existing markets and serve as the cornerstone to our success in new markets, as we have in the past. Our current infrastructure allows us to expand our product offerings. We intend to diversify our existing product portfolio by adding new products which are synergistic with our existing products and chemistries.

Increase wallet share with existing customers and continued focus to expand customer base

We believe that our leading market position within the various markets where we are present, as well as our long-standing relations with customers positions us well to increase wallet share with existing customers, and to continue focusing on expanding our customer base. The global pharmaceutical intermediates market stood at $30.9 billion in 2021 and is expected to reach $42.1 billion by 2026 at a CAGR of 6.4% and Asia Pacific was the largest pharmaceutical intermediates market in 2021 with a share of 34.3% (which is expected to increase to 35% by 2026). Production has grown at ~12% CAGR in the past five years. Further, the global performance chemicals industry amounted to $77.3 billion in 2021 and is expected to expand at a CAGR of 4.4% to $96 billion by 2026. Further, the global home and personal care chemicals industry was valued at $49 billion in 2021 and is expected to reach $59.5 billion during the forecast period (2021-2026) at a CAGR of 3.8%. In terms of volume, the market stood at 10.3 million tons in 2021 and is expected to clock a CAGR of 1.8% to reach 11.3 million tons by 2026 (*Source: CRISIL Report*).

We intend to tap into the market share of existing customers for other products as well as the corresponding market and supply chain for such other products. We intend to engage in cross-selling of our current product portfolio across our spectrum of customers. Harnessing our global footprint and experience, we intend to introduce specialty products to our existing customers and also have deeper penetration in the markets, and expand our wallet share with them.

We believe that the repeated business we have received from our customers for value addition, over the years are indicators of our position as a preferred supplier. While we believe that our continuing R&D endeavours for quality will help increase our overall market share for both our product groups, we intend to focus on increasing our wallet share with existing customers in the years to come. We have built long-standing relationships with our customers through various strategic endeavours, including technical interactions, which we intend to leverage by capitalizing our diversified product portfolio offers. Further, we plan on utilizing our expanded geographical footprint to address the sourcing requirements of our existing customers as and when they enter new markets, thereby consolidating our position as a preferred supplier across geographies.

We have appointed sales channel personnel in Shanghai and London, so as to enable us to market our products as well as understand the customer needs in these regions. Going forward, we intend to continue to leverage our direct marketing and distributor network, diversified product portfolio and our industry standing to establish relationships with new export and local customers and expand our customer base. We intend to increase the wallet share of our export customers, consequently and increase the export contribution to our revenue. We intend to do this by adding more specialised and customised products to our product portfolio. Further, we intend to increase our revenue streams from various other end-user industries.

Focus on import substitution and increasing exports

Our Company has a global footprint of exports to 45 countries, as of December 31, 2021. For the nine month period ended December 31, 2021 and for Fiscals ended 2021, 2020 and 2019 our revenue from exports amounted to ₹ 1,342.79 million, ₹ 1,387.20 million, ₹ 1,406.47 million and ₹ 1,245.00 million and accounted for 21.24%, 23.04%, 26.30% and 24.96%, of our total income, respectively.

With a view to further diversify our export customer base and increase our exports, we intend to augment our sales in the foreign markets where we sell our products thereby increasing our market share in the existing geographies. For the purpose of such expansion, we will participate in industry trade fairs and exhibitions, and assess potential customers leads. Further, we believe our existing relationships with reputed customers, and demonstrated expertise in manufacturing of speciality products will enable us to acquire new customers.

The recent downturn in China's speciality chemicals industry is an opportunity for Indian manufacturers which have a cost advantage. The changing regulatory and policy landscape in China, reduced government support for Chinese manufacturers, along with geopolitical issues and COVID – 19 impact, have prompted global companies to diversify supply risks, thereby improving the export opportunity for Indian players. This is because, very few countries, other than India have the requisite scale, technology (including complex chemistry capabilities), raw materials, skilled labour availability, intellectual property protection, and government support to capture this opportunity. Further, supply chain disruptions caused during the peak of pandemic has led to a 'China plus one' strategy among global companies. As these companies look to enhance supply chain resilience by diversifying manufacturing into other countries, India stands as an attractive option owing to its strategic location, large domestic market, skilled manpower, and low labour cost *(Source: CRISIL Report)*. We intend to harness such sourcing shift in the industry to increase our exports volumes.

Continue improving financial performance through focus on operational and functional efficiencies

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. 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.

For instance, during COVID – 19 pandemic, we undertook de-bottlenecking of our facilities to improve operational metrics and enhance the production capacity without increasing substantial capital expenditure. This entailed reduction in the cost of energy consumed, saving of energy, reduction in the usage of manpower, yield improvement of our products and increase in the automation of equipments thereby reducing the element of human error. Going forward, we continue to evaluate and undertake such initiatives which would improve our financial performance through functional efficiencies.

Organic and inorganic growth through strategic acquisitions

We intend to pursue strategic acquisitions and partnerships to complement our organic and inorganic growth and internal expertise. We also intend to develop our production capacities to achieve intended levels of organic growth. Additionally, we believe that by pursuing strategic acquisitions, we will add to our capabilities and technical expertise or enter into partnerships to strengthen our product infrastructure and overall manufacturing capabilities in the specialty chemicals sector.

Business Operations

Our Product Portfolio

We categorise our products into three product categories, being acetone based specialty chemicals, phosphorous based specialty chemicals and other specialty chemicals. As on December 31, 2021, our revenue contribution from top 10 products is lesser than 25.00% and top 5 products is lesser than 15.00% of our revenue from operations.

Acetone based Specialty Chemicals

Acetone based specialty chemicals are manufactured from acetone by multi step catalytic reactions at high pressure and high temperature with state-of-the-art separation systems and fully automated Distributed Controlled Systems. These specialty products are manufactured by deploying high temperature and pressure reactions in three stages *i.e.* condensation, hydrogenation and dehydration. These niche specialty chemicals have multiple applications and end uses in diverse industries such as agrochemicals, pharmaceuticals, home and personal care and performance chemicals.

Company's key acetone derivatives

S. No.	Key Acetone Derivatives	Key Applications
1.	Diacetone alcohol	Agrochemicals, home & personal care, and performance chemicals
2.	Isophorone	Agrochemical formulation, performance chemicals, Disinfectant and Pharmaceutical API
3.	Hexylene glycol	Pharma intermediate, aroma chemicals, cosmetic formulations, chemical intermediate, additive for metalworking fluid, cement additives
4.	3,3,5 Cyclohexanone	
5.	3,3,5 Cyclohexanol	
6.	Mesityl oxide	Used in fine chemistry in the synthesis of Pharmaceutical API
7.	DIBK	Solvent for specialty coatings, inks, extractants for pharmaceuticals
8.	2-MPD	Fragrance intermediate
9.	MIBK*	Solvent for pharma and agrochemicals
10.	MIBC	Used as a frothier in mineral flotation and in the production of lubricant oil additives
11.	3,5 Dimethyl Phenol	Disinfectants, performance chemicals, pharmaceuticals, insecticides, fungicides

(Source: CRISIL Report)
**Our Company has approved capacity for this product.*

Phosphorous based Specialty Chemicals

Phosphorous based specialty chemicals are manufactured from phosphorous through various chemistries such as halogenation, high temperature addition, acidification, and separation techniques such as distillation. These specialty chemicals are forward integrated up to four stages *i.e.* inorganic addition, acid formation, salt formation and blending (for making formulation). These phosphorous based derivatives are considered specialty chemicals with respect to volume and diversified end uses in multiple industries such as agrochemicals, pharmaceuticals, home & personal care, and performance chemicals.

<u>Company's phosphorus derivatives</u>

S. No.	Product	Location	Key Applications
1.	Phosphorus Pentasulphide	Khopoli Mahad	Intermediate for manufacturing technical grade pesticides, lubricant oil additives, mining flotation agents and specialty chemicals
2.	Phosphorus Pentoxide	Raigad	Manufacturing of phosphoric acid, as an intermediate for phosphate esters, which are used as surfactants, hydraulic fluids, and plasticizers
3.	ZincDialkyl Dithiophosphates (ZDDP)	Khopoli Mahad	Formulation of hydraulic fluids industrial gear oils, metalworking fluids and greases
4.	Specialty Phosphates	Khopoli	Lubricants, metal working fluids, emulsifiers, intermediate for surfactants
5.	Diethyl Thiophosphoric Acid (DETA)	Mahad	Pesticide intermediates
6.	Diethyl Thiophosphoryl Chloride (DETC)		Pesticide intermediates
7.	Dimethyl Thiophosphoryl Chloride (DMTC)*		Pesticide intermediates
8.	Dimethyl Phosphoramidothioate (DMPAT)*	Mahad	Pesticide intermediates
9.	Red phosphorus	Mahad	Manufacturing matchboxes, smoke devices, flares, as a fire retardant

(Source: CRISIL Report)
**Our Company has approved capacity for this product.*

Other Specialty Chemicals

This category includes the customization of our products basis the technical requirements of our customers and providing them with a tailor-made solution. The products identified in this category are typically custom – made for better performance in customer application. Our customized products are included in high performance end products which can be used for niche applications. Such products typically undergo trials at the customer's facilities along with time consuming approval processes.

Set out below are the details of our product-wise revenue from operations as a percentage of our total income for the periods indicated:

Product Group	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount (*in ₹ million*)	% of total income	Amount (*in ₹ million*)	% of total income	Amount (*in ₹ million*)	% of total income	Amount (*in ₹ million*)	% of total income
Acetone based specialty chemicals	3,046.90	48.20	2,634.40	43.75	2,364.48	44.22	2,370.92	47.53
Phosphorous based specialty chemicals	1,801.82	28.50	1,754.49	29.14	1,417.80	26.52	1,253.86	25.13
Other specialty chemicals*	1,420.59	22.47	1,566.51	26.02	1,530.13	28.62	1,358.21	27.23
Revenue from operations	**6,269.32**	**99.17**	**5,955.40**	**98.90**	**5,312.40**	**99.35**	**4,983.00**	**99.88**

**Includes chemicals other than acetone and phosphorous based specialty chemicals for the purposes of customization of products.*

Manufacturing Facilities

We have two manufacturing facilities, at Khopoli and Mahad located in Maharashtra which cater to the domestic as well as export markets. Our manufacturing facilities are supported by infrastructure for storage of raw materials, storage of finished goods, together with a quality control equipment and team. In addition, our manufacturing facilities include effluent treatment plants, which treat our industrial wastewater and recycle it for reuse or for safe external disposal.

Set out below are details of our manufacturing facilities:

Khopoli Facility

The manufacturing facility at Khopoli, commenced operations in 1995. As of December 31, 2021, this facility had an installed production capacity of 50,410 MTPA.

The following tables sets forth certain information relating to our capacity utilization, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

(*in MT, except percentages*)*

Particulars	Period / Year			
	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Installed Capacity (annual) (in MT)	50,410	49,334	44,399	42,660
Actual Production (in MT)	30,203	38,167	36,849	38,224
Capacity Utilisation (%)	79.90%	77.40%	83.00%	89.60%

**As certified by Aditya Saxena, Chartered Engineer, by way of certificate dated April 13, 2022.*

Mahad Facility

The manufacturing facility at Mahad, commenced operations in 2020. As of December 31, 2021, this facility had an installed production capacity of 4,240 MTPA.

The following tables sets forth certain information relating to our capacity utilization, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

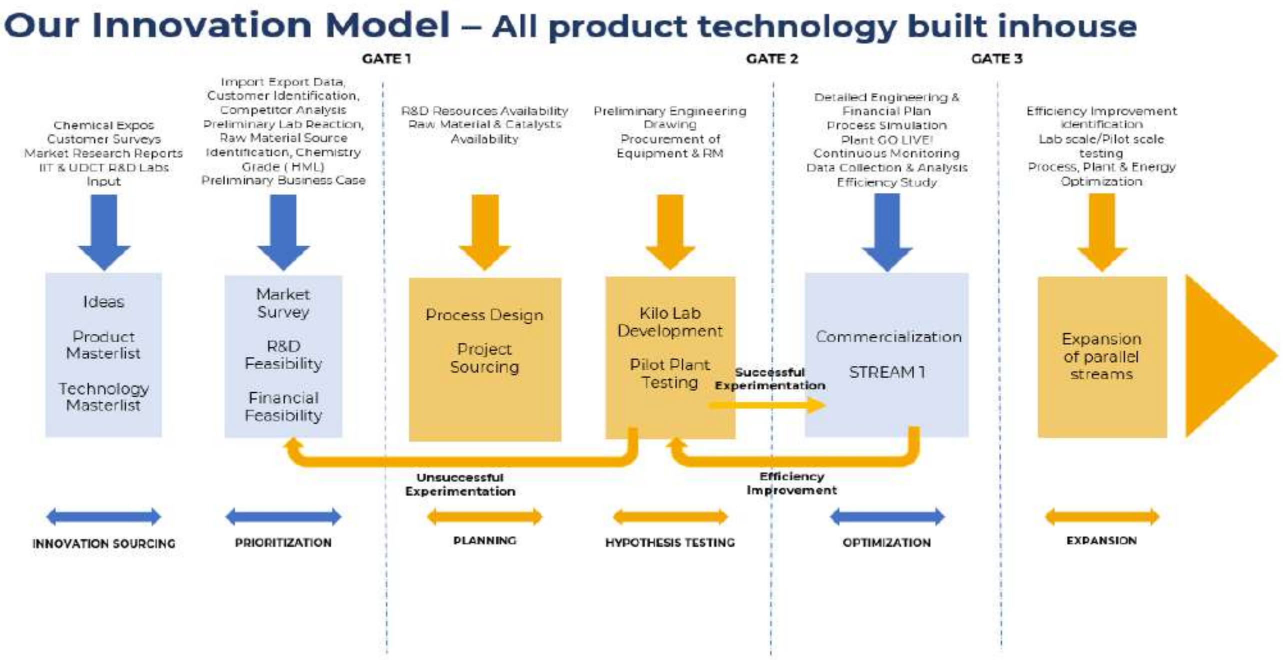
(*in MT, except percentages*)*

Particulars	Period / Year			
	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Installed Capacity (annual) (in MT)	4,240	2,000	-	-
Actual Production (in MT)	965	595	-	-
Capacity Utilisation (%)	30.40%	29.70%	-	-

**As certified by Aditya Saxena, Chartered Engineer, by way of certificate dated April 13, 2022.*

Manufacturing Process

The following illustrates the manufacturing process from product selection to commercialisation for our products:



Contract manufacturing

We undertake contract manufacturing for our customers globally on the basis of purchase orders which helps us to achieve economies of scale in our production process. With such outsourcing, we strive to ensure uninterrupted services for our customers. We also undertake contract manufacturing as per product specifications for international customers wherein such product and processes are developed by our R&D team. As part of our contract manufacturing operations, our customer provides us with the technical assistance and information required for the required products, which are manufactured by our Company.

Inventory Management and Procurement of Raw Materials

The primary raw materials used in the manufacture of our products are acetone based derivatives and yellow phosphorous based derivatives. For the nine month period ended December 31, 2021 and in Fiscals 2021, 2020 and 2019, cost of goods sold represented 66.10%, 72.62%, 69.14% and 74.90%, respectively, of our total income. We procure raw materials, primarily from multiple domestic suppliers, on monthly, bi-monthly and quarterly basis. We also import raw materials from China, Thailand, Europe and, and Vietnam such that our imports are not concentrated in any particular region. We have entered into non – disclosure agreements with certain of our suppliers.

The raw materials are primarily transported by the road and sea. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Raw materials sourced from the domestic market are directly purchased from manufacturers and traders and supplied to the respective manufacturing locations.

Further, we conduct monthly checks on physical inventory and inventory on books to manage our inventory levels. Our finished products are stored on – site at our manufacturing facilities. The inventory days are approximately 34 – 60 days for raw materials and the finished goods are stored for approximately 6 – 25 days. We plan our inventory based on monthly forecasts which is based on current trends in sales along with feedback from our sales and marketing teams and regular interaction with our teams at the manufacturing facilities.

Logistics

We transport raw materials and finished products primarily by road and sea. Packing materials are transported primarily by road. Generally, our suppliers directly deliver our raw materials, packing materials to our manufacturing facilities. The raw materials stored at ports (at third party warehouses) are dispatched to manufacturing locations, as per requirement of production plans. We outsource the delivery of our products to third-party logistics companies. We rely on freight forwarders to deliver our products from our manufacturing facilities to our depots and onwards to customers. We do not have long-term contractual relationships with our freight forwarders. The pricing for sea freight is negotiated and agreed on consignment basis.

We generally sell our products on a cost, insurance and freight basis. In these arrangements, we are responsible for shipping the products to the customer, and our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures.

Brand Building and Marketing

As part of our marketing and brand building initiatives, we participate in various exhibitions and trade fairs. We attend online exhibitions to display our products. Further, we circulate newsletters and bulletins to our existing and potential customers, which contains information about our products and their applications.

We have also undertaken digital marketing initiatives such as getting registered with SEO and Trad e-portals which helps us in reaching out to different companies and build new relationships with the customers. We also advertise our products in the digital publication magazines such as 'Chemical Weekly' for building our brand.

Information Technology

The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment, planning and mitigation policies, and identifying emerging technologies which may be beneficial to our operations. We are currently using an enterprise resource planning solution SAP, which assists us with various functions including production administration control, identification of the purpose of production, implementation and preparation of elements of the strategy, maintaining the chart of accounts records for finance and IT departments and maintaining vendor master records, among others.

Competition

As there are significant entry barriers to this business, most of our competitors are multinational companies. Our Company is the leading manufacturer for phosphorus and acetone derivatives and competes in the domestic market with the companies, such as Evonik and Arkema. Further, while for the acetone derivatives, we face competition from companies such as Monument Chemical, SI Group, Arkema, ALTIVIA and TASCO, for the phosphorous derivatives we face competition from companies such as Italmatch chemicals (Italy), Perimeter Solutions (US), Hubei Xingfa (China), FMC Cheminova India (Subsidiary of FMC Corp, US). However, we face little competition in the local market, due to the presence of limited acetone derivatives manufacturers in the domestic market. (*Source: CRISIL Report*)

Quality Control and 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 pre – determined 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 regulatory requirements. Our quality control process has resulted in certifications and approval such as ISO 45001:2018 and 9001:2015. Further, in order to supply our products to our overseas customers, we are required to maintain certain registrations and approvals such as the REACH registration with ECHA and other similar registrations with regulatory bodies of various countries

Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For further information, see "*Key Regulations and Policies*" on page 206. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further details, please see "*Risk Factors – Non-compliance with increasingly stringent safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, cash flows and financial condition. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.*" on page 36. For further information, see "*Government and Other Approvals*" on page 355.

Insurance

In order to manage the risk of losses from potentially harmful events, we have purchased insurance policies such as property fire policy, stock fire policy general commercial liability policy, anti-burglary policy, group accident policy and director and officers insurance policy. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all our manufacturing facilities, stocks at facilities, offices and our R&D center.

For further details, please see "*Risk Factors – 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.*" on page 39.

Employees

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce are critical in strengthening our competitive position. Our personnel policies are aimed towards recruiting the talent that we need, facilitating the integration of our employees into the company and encouraging the development of skills in order to support our performance and the growth of our operations.

As of December 31, 2021, we had an employee base of 607 permanent employees. The following table sets forth a breakdown of our permanent employees by function as of December 31, 2021:

Function	Number of employees
Factory Operations	329
Project, engineering and maintenance	148
Sales, Marketing and Supply chain	48
Accounts, Finance, Legal and Secretarial	25
Others (support function)	57
Total	**607**

In addition, we contract with third-party manpower and services firms for the supply of contract labour for certain services at our manufacturing and other facilities. We engage contractors to perform loading/unloading of goods and/or shifting of materials at our premises. In consideration of the jobs so performed/executed by the contractor, we pay the contractor at the rate agreed with the contractor in connection with the job that we assign to them. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, we have applied for the following trademarks under class 1 in terms of the Trademark Act, 1999, and Trade Marks Rules, 2017, before the Registrar of Trademark. For further details, please see *"Risk Factors – As on the date of this Draft Red Herring Prospectus, we do not own any intellectual property and may inadvertently infringe the intellectual property rights of others.*" on page 44.

Sr. No.	Country	Trademark	Class	Status
1.	India	PRASOL	Class 1	Applied
2.	India	PRACARE	Class 1	Applied
3.	India	PRALUBE	Class 1	Objected
4.	India	PRAPHOS	Class 1	Objected
5.	India	PRACET	Class 1	Applied
6.	India	ADDITIV	Class 1	Objected
7.	India	ADDITIV 730	Class 1	Objected

Corporate Social Responsibility

We have constituted a CSR committee of our Board of Directors and have adopted and implemented a revised CSR policy on March 1, 2022, pursuant to which we carry out our CSR activities. As part of our CSR initiatives and in terms of our CSR Policy, we engage in rural development projects, healthcare, education, environmental sustainability, and socio-economic development and relief. We have, in the past, focused on promoting education including special education and employment enhancing vocation skills, and tree plantation. We have also contributed to Prime Minister's National Relief Fund as a support for relief measures during national disasters.

Our CSR expenditure aggregated to ₹ 1.07 million, ₹ 3.45 million, ₹ 3.46 million and ₹ 0.88 million for the nine month period ended December 31, 2021 and for Fiscal 2021, 2020 and 2019, respectively.

Property

Our Registered and Corporate Office is located at 'Prasol House', plot no. A – 17/2/3, T.T.C Industrial Area, Khairne, M.I.D.C., Navi Mumbai – 400 710, Maharashtra and is leased by us up to June 1, 2083.

As of the date of this Draft Red Herring Prospectus, certain of our land parcels on which our manufacturing facilities are set up or proposed to be set up are held either on a freehold basis or on a leasehold basis. Set forth below are the details of the properties owned or leased by us:

Location	Primary Purpose	Freehold or Leasehold along with Tenure
Gut No. 146,150,151,152,154, Dheku, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 25, 6B,7C, 10E,11G,12F,13J,5B, 5C, 5D, 9D,1E, Survey No. 13, Hissa No. 1 to 4, Area under the road Survey No. 13 Hissa No. 5B, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 25/5/A, Chinchavali gohe, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 15, Hissa No. 1,2, 4,5 Honad, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 13, Hissa No. 5A, Honad, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 75, Hissa no. 7, Thanenhave, Khalapur, Raigad, Maharashtra	Industrial	Owned
Suvey No. 8, Hissa No. 2, Honad, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 16, Hissa No. 1,2,3, Honad, Khalapur, Raigad, Maharashtra	Industrial	Owned

Location	Primary Purpose	Freehold or Leasehold along with Tenure
Survey No. 13, Hissa No. 1 to 4B, Honad, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 13, Hissa No. 5C, Honad, Survey No. 15, Hissa No, 3, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 74, Hissa No, 3, Thanenhave, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 13/1/A, Honad, Khalapur, Raigad, Maharashtra	Industrial	Owned
Survey No. 13, Hissa No. 6, Talathi Saja, Honad, Khalapur, Raigad, Maharashtra	Industrial	Leased with effect from April 1, 2021 up to March 31, 2036.
Plot No. 17/2/3, TTC Industrial Area, Khairne, Koparkhairne, Navi Mumbai, Maharashtra	Industrial	Leased with effect from June 1, 1988 up to June 1, 2083
FS-30, Five Star Industrial Area, Mahad, Navi Mumbai, Maharashtra	Industrial	Leased with effect from March 1, 2017 up to March 1, 2112
Plot No. C 275, Saykha Industrial Estate, GIDC, Bharuch, Gujarat	Industrial	Licensed with effect from January 29, 2015 up to March 31, 2023
Plot No. FS 26, Mahad five Star Industrial Area, Mahad, Navi Mumbai, Maharashtra	Industrial	Licensed with effect from April 7, 2021 to March 12, 2023

Recent and Continuing Developments – COVID 19 Pandemic

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. There have been multiple waves of infections that have impacted certain countries, with India most recently experiencing a second wave of infections that significantly increased the number of persons impacted by COVID-19. Since March 2021, there was a significant resurgence in the daily number of new COVID-19 cases and resulting deaths and the GoI and State governments in India re-imposed lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections. From March 2021 onwards, due to a “second wave” of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. We have monitored and are monitoring the situation closely and is operating its activities with the required workforce as permitted by governmental authorities. Additionally, towards the end of calendar year 2021, World Health Organisation designated Omicron, a variant that causes COVID – 19, of a great concern. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, and the COVID-19 pandemic may continue to affect our business, results of operations and financial condition.

For example, on account of the lockdown, our operations were temporarily shut down at our Khopoli Facility in Maharashtra from March 23, 2020 to March 31, 2020, our ability to travel, interact with potential customers, pursue partnerships and other business transactions was affected, 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 affected our business. Further, 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 resulted in a slowdown in our operations.

For further information on the impact of COVID-19 on our business and the risks associated with COVID-19 to our business, see “*Risk Factors – The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted.*” on page 27.

KEY REGULATIONS AND POLICIES

Our Company is a manufacturer of speciality chemicals. The following description is a summary of certain key statutes, bills, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" beginning on page 355.

The information detailed in this chapter, is based on the current provisions of key statutes, bills, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Key Legislations Applicable to Our Business

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

The Boilers Act seeks to regulate, inter alia, the manufacture, possession and use 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 Government. 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 Public Liability Insurance Act, 1991 ("PLI Act") & the Public Liability Insurance Rules, 1991

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 mandate 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 aims 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.

The Packaged Commodity Rules were framed under Section 52(2) (j) and (q) of the LM Act. The Packaged Commodity Rules prescribe 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.

The Explosives Act, 1884 ("**Explosives Act**")

The Explosives Act is a comprehensive law which regulates by licensing the manufacturing, possession, sale, transportation, export and import of explosives. As per the definition of 'explosives' under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a licence granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

The Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a licence shall take the approval of the Chief Controller before commencing storage.

The Narcotic Drugs and Psychotropic Substances, Act, 1985 ("NDPS Act") and the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 ("NDPS Order")

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, inter alia, the production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transhipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes, and in the manner and to the extent permissible by the NDPS Act or any rules framed thereunder. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by both imprisonment and monetary fines. The NDPS Order classifies certain substances including, acetic anhydride and anthranilic acid as "controlled substances" in Schedule A of the NDPS Order. The NDPS Order requires for every person on entity who is engaged in the manufacturing, trade, possession and consumption of the "controlled substances" classified under Schedule-A of the NDPS Order to obtain a unique registration number issued by the Zonal Director of Narcotics Bureau.

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 March 31, 2022) 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 DGFT by way of a notification dated May 24, 2019 (the "**Ethyl Alcohol Notification**"), has amended the import policy of biofuels under Chapter 22, 27 and 38 of ITC(HS), 2017, Schedule -I. Pursuant to the Ethyl Alcohol Notification, the import of ethyl alcohol and other spirits, which are denatured is "restricted" for all purposes. Any import of ethyl alcohol, in a denatured form will require an import licence from the DGFT.

The Static and Mobile Pressure Vessels (Unfired) Rules 2016 ("SMPV Rules")

The SMPV Rules regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licences are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licences can be amended, renewed, suspended or cancelled.

Environmental Legislations

The Environment (Protection) Act, 1986 ("EPA"), Environment Protection Rules, 1986 (the "EP Rules") and the Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Further, the EP Rules specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

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 establishing or operating such industrial plant.

The Bio-medical Waste (Management and Handling) Rules, 2016 ("BMW Rules")

The BMW Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form. It also provides for the pre-treatment of laboratory waste, blood samples, etc. It mandates the use of a barcode system for proper control. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health or the environment, and to set up bio-medical waste treatment and disposal facilities as prescribed. They further require such persons to apply to the prescribed authority for grant of authorization and submit to them an annual report. Finally, these persons are also required to maintain records related to the generation, collection, storage, transportation, treatment, disposal and/or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

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.

Gas Cylinder Rules, 2016 ("Gas Cylinder Rules")

The Central Government, in exercise of powers under Section 5 and Section 7 of the Explosives Act, had promulgated the Gas Cylinder Rules, 2016, in supersession of the Gas Cylinder Rules, 2004 to regulate filling, possession, transport and import of such gases. The objective of these Rules is to ensure safety of persons engaged in the filling, possession, transportation and import of such gases in compressed or liquefied state. A person can fill or possess such cylinders filled with compressed gas only once they have duly obtained the approval from Chief Controller, who will certify compliance with the construction standards after being shown the necessary test and inspection certificates

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("HCR Rules")

The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

The Batteries (Management and Handling) Rules, 2001, as amended ("Batteries Rules")

The Batteries Rules are framed under the EPA and apply to every manufacturer, importer, reconditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. It prescribes the responsibilities of manufacturer, importer, assembler, re-conditioner and dealers of the batteries as well as lays down the responsibilities of the recycler of the batteries.

Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act 2017 ("Shops and Establishments Act")

Under the provisions of the Shops and Establishments Act, applicable in the state of Maharashtra, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the Shops and Establishments Act.

Labour Related Legislations

In addition to the aforementioned material legislations which are applicable to our Company, other legislations that may be applicable to the operations of our Company include:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Factories Act, 1948;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Employee's Compensation Act, 1923; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(i) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(ii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume 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. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.

(iii) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 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. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Unorganised Workers’ Social Security Act, 2008. The provision concerning application of Aadhaar has already been notified by the Central Government.

Miscellaneous Laws

The Trade Marks Act, 1999 (“Trademarks Act”)

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

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. Under the FDI Policy, 100% foreign direct investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as "Prachi Poly Products Private Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated January 24, 1992, issued by the RoC. The name of our Company was subsequently changed to "Prachi Poly Products Limited", upon conversion into a public company, pursuant to a board resolution dated November 26, 1994, and a shareholders' resolution dated December 5, 1994, and a certificate of change of name was issued on January 10, 1995 by the RoC. Thereafter, the name of our Company was changed to "Prasol Chemicals Limited", to better represent our Company's name with its activities, pursuant to a board resolution dated December 7, 2006 and a shareholders' resolution dated January 18, 2007, and a certificate of change of name was issued on March 26, 2007 by the RoC. The name of our Company was subsequently changed to "Prasol Chemicals Private Limited", upon re-conversion into a private company, pursuant to a board resolution dated October 5, 2016 and a shareholders' resolution dated December 1, 2016, and a certificate of change of name was issued on June 5, 2017 by the RoC. The name of our Company was subsequently changed to "Prasol Chemicals Limited", upon conversion into a public company, pursuant to a board resolution dated December 23, 2021 and a shareholders' resolution dated January 15, 2022, and a certificate of change of name was issued on February 4, 2022 by the RoC.

Change in the Registered Office

Except as stated below, there has been no change in the registered office of our Company since incorporation:

Effective Date	Details of change	Reason for change
December 5, 1994	The registered office of our Company changed from C/O Narendra & Co R. No. 5, Jakaria Building Opp Jakaria Masjid, Mohd. Ali Road, Mumbai 400003 to 10/2, Bombay Market Apartment, Tardeo Road, Mumbai 400034.	Operational convenience
February 1, 1996	The registered office of our Company changed from 10/2, Bombay Market, Tardeo Road, Bombay 400034 to 107, Chawla Warehouse, Behind Zamzam Cold Storage, Sector No. 18, Vashi, Navi Mumbai- 400705.	Operational convenience
December 23, 2004	The registered office of our Company changed from 107, Chawla Warehouse, Sector 18, MAFCO Area, Vashi, Navi Mumbai - 400705 to Prachi House, Plot No A -17/2/3/ T. T. C. Industrial Area, Khairane, M.I.D.C., Navi Mumbai – 400710.	Operational convenience
April 1, 2013	The registered office of our Company changed from Prachi House, Plot No A - 17/2/3, T. T. C. Industrial Area, Khairne M.I.D.C., Mumbai – 400710, to Prasol House, Plot No A - 17/2/3, T. T. C. Industrial Area, Khairne M.I.D.C., Navi Mumbai, Thane 400710	Change of name of premises

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *To produce, manufacture, do job-work, acquire, trade, import, export, sell distribute, deal In all kinds of organic and inorganic chemicals, solvents, alkalies, acids, gases, reagents, fertilizers and chemical products of every nature and description and additives, compounds, Intermediates, derivatives and by-products thereof and products made there from Including specialty chemicals, industrial alcohols, detergents, pesticides, insecticides, fumigants, plastics, polymers, paints, resins, dyestuffs, explosives, oils, lubricants, petroleum, products, catalystic agents, preservatives, colours, pigments, biological and pharmaceutical drugs, serums and hormones.*

Amendments to our Memorandum of Association in the last 10 years

Except as stated below, there have been no amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of shareholders' resolution	Nature of amendment *
December 1, 2016	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from "Prasol Chemicals Limited" to "Prasol Chemicals Private Limited"
August 12, 2021	Clause V of the Memorandum of Association was amended to reflect the change in the authorised share capital of our Company which was increased from ₹ 40,000,000, divided into 4,000,000 equity shares of face value of ₹ 10 each to ₹ 380,000,000 divided into 38,000,000 equity shares of face value of ₹10 each
December 8, 2021	Clause V of the Memorandum of Association was amended to reflect the sub-division of face value of equity shares from ₹10 each to ₹ 2 each and consequently, the authorised share capital of our Company was amended from ₹380,000,000 divided into 38,000,000 equity shares of ₹10 each to ₹380,000,000 divided into 190,000,000 Equity Shares of ₹ 2 each.

Date of shareholders' resolution	Nature of amendment *
January 15, 2022	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from "Prasol Chemicals Private Limited" to "Prasol Chemicals Limited"

** Our Company pursuant to a resolution passed by our Shareholders' dated June 23, 2016, approved consolidation of our authorised share capital from ₹ 40,000,000, divided into 4,000,000 equity shares of face value of ₹ 10 each to ₹ 40,000,000, divided into 400 equity shares of face value of ₹ 1,00,000 each. However, the aforesaid corporate action was subsequently rescinded by our Company pursuant to a resolution passed by our shareholders' dated November 3, 2016.*

Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

Calendar Year	Event /milestone
1992	• Incorporation of our Company
1996	• Diversified into phosphorus-based products for agrochemicals and performance chemicals.
2003	• Foundation of Organic based technology platform for Agrochemicals, Performance chemicals, and entered into Home & Personal Care segment
2007	• Entered pharmaceutical segment with phosphorus-based products
2009	• Launched new acetone derivatives – for agrochemicals, home & personal care, pharmaceuticals and performance chemicals.
2011	• Entered into antioxidants and antiwear industry for lubricants
2013	• Expanding our global footprint to 25 countries
2015	• Acquired land in Saykha Industrial Area, Gujarat on a leave and licence basis
2017	• Acquired land in Mahad, Maharashtra on a leave and licence basis
2019	• Established cogeneration power plant in Khopoli, Maharashtra
2020	• Expanding global footprint to 45 countries • Commissioned new site at Mahad for agrochemicals intermediates.

Key awards, accreditations or recognitions

The table below sets forth some of the awards, accreditation or recognitions received by our Company:

Calendar Year	Award / Accreditation
2018	Received "Splash Award" for annual performance for the year 2017-2018 for being the most proactive and progressive importer of the year from All India Liquid Bulk Importers and Exporters Association
2018	Recognised as a "Two Star Export House" by DGFT, Ministry of Commerce and Industry, India
2021	Awarded a "silver medal" as a recognition for our EcoVadis Rating from EcoVadis Sustainability Rating

For details of accreditations received by our Company, please see "*Our Business*" on page 192.

Time and cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in relation to any projects, including our manufacturing units, since incorporation.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions or banks by our Company.

Details regarding mergers, demergers or amalgamation

Our Company has not undertaken any merger, demerger or amalgamation in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, and any revaluation of assets in the last 10 years

Our Company has not acquired any material business or undertaken any divestments of business or undertaking or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Lock-out and strikes

There have been no instances of strikes or lock-outs at any time in our Company.

Launch of key products or services, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets

For further details in relation to launch of key products or services, capacity/facility creation, location of plants, entry in new geographies or exit from existing markets by our Company, see "*Our Business*" on page 192.

Significant financial and/or strategic partners

Our Company does not have any significant financial and / or strategic partners as of the date of this Draft Red Herring Prospectus.

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements among our Shareholders *and* Company. Certain shareholders of our Company have entered into the following inter-se agreements. Our Company is not a part to such agreements. The details of such agreements are as follows:

Shareholders' Agreements between the various shareholders of our Company

Various shareholders of our Company have entered into shareholders' agreements with their respective family members to record the manner in which such family members shall exercise their votes in respect of the Company, transfer shares of the Company that are owned by them and other related matters (collectively, the "**Shareholders' Agreements**"). The intention of the Shareholders' Agreements was also to ensure that the members of the respective families jointly undertake to exercise their voting power with respect to the Company in the manner referred to in the respective Shareholders' Agreement, subject to and under the overall direction and supervision of a specified member of each respective family. The Shareholders' Agreements provide for certain obligations such as (i) voting arrangement with regard to exercising their role as shareholders, with regard to the affairs of the Company (including authorising specified members of their respective families to exercise voting rights on behalf of the parties), (ii) a right of first offer to the parties to the respective Shareholders' Agreements, in case of any transfer of equity shares, at a price as per an agreed formula ("**Right of First Offer**"), and (iii) non-compete provisions restricting the respective parties from undertaking a business substantially similar to, or competing with, the business of our Company, (iv) provisions for execution of a deed of adherence in case of transmission of equity shares in case of the death of a family member or inheritance only ("**Deed of Adherence**"). Each of the Shareholders Agreements have been amended pursuant to amendment agreements ("**Amendment Agreements**"), in terms of which, *inter alia*, the Right of First Offer and the requirement of execution of the Deed of Adherence (in case of the death of a family member or inheritance only) have been waived in relation to the Offer for Sale. The Company is not a party to any of the Shareholders' Agreements or Amendment Agreements.

Set out below are the details of the Shareholders' Agreements or Amendment Agreements:

Date of the Shareholders' Agreement	**Date of the Amendment Agreement**	**Authorising members of the family**	**Authorised Individuals**
September 26, 2017	March 30, 2022	Dipti Nalin Parikh, Nihir Nalin Parikh, Suhagi Dhaval Parikh, and Janhavi N Parikh	Dhaval Nalin Parikh
September 21, 2017	March 30, 2022	Jatin Narendra Parikh, Chamak Jatin Parikh and Shruti Sachin Parikh	Sachin Jatin Parikh
September 20, 2017	March 30, 2022	Sundeep N Parikh, Lina Suketu Parikh, Sheetal S Parikh, Pushpa N Parikh, Heta T. Parikh, and Namita Tushar Parikh	Suketu Navinchandra Parikh
September 26, 2017	March 30, 2022	Tushar Natverlal Dharia, Ami Tushar Dharia, Mansi Tushar Dharia, Bhairavi Atul Sohni and Tushar Natverlal Dharia HUF	Kunal Tushar Dharia
September 26, 2017	March 30, 2022	Bhisham Kumar Gupta, Raksha Bhisham Gupta, and Veenu Rakesh Gupta	Rakesh Gupta
September 26, 2017	March 30, 2022	Tanvi Gaurang Parikh and Gaurang Natwarlal Parikh HUF	Gaurang Natwarlal Parikh
September 26, 2017	March 30, 2022	Sandhya Nishith Shah, Anvi Nishith Shah, Ashna Nishith Shah and Usha Rajnikant Shah	Nishith Rajnikant Shah

September 26, 2017	March 30, 2022	Sonal Nishith Dharia, Kinjal Pankil Dharia, Riddhi Mihir Kapadia and Sonal Dharia Trust	Pankil Nishith Dharia jointly with Nishith Rasiklal Dharia

The clauses / covenants of the Shareholders Agreements (as amended) are not adverse or prejudicial to the interest of any minority and public shareholders.

The authorised representative of each of the families and certain other Shareholders, have also entered into an agreement dated November 18, 2017 ("**2017 Agreement**"), pursuant to which they had, inter alia, agreed to comply with the terms of the Shareholders' Agreements. Pursuant to intra-family arrangements and to ensure continued smooth conduct of Company business jointly among the families, the aforesaid agreement was subsequently amended by way of an amendment agreement dated April 9, 2022 to record changes in certain parties ("**Amendment to the 2017 Agreement**").

Agreements entered into by Key Managerial Personnel, Directors, Promoters or any other employees

None of 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.

Inter-se Agreements between Shareholders

Except as disclosed above under *"- Details of shareholders' agreements*", as on the date of this Draft Red Herring Prospectus, our Company, Promoters and shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no clauses / covenants which are adverse / prejudicial to the interest of the minority / public shareholders. There are no other agreements, deed of assignments, acquisition agreements, Shareholders' Agreement, inter-se agreements, agreements of like nature other than disclosed in this Draft Red Herring Prospectus.

Other agreements

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Guarantees given by the Promoter Selling Shareholders

The Promoter Selling Shareholders have not provided guarantees to any third parties as on the date of this Draft Red Herring Prospectus.

Our holding company

Our Company does not have a holding company.

Our subsidiaries, associate companies and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries, associates or joint ventures.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act, 2013, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors, including four Executive Directors (including our Managing Director), and four Independent Directors. One Independent Director on our Board is a woman.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
1.	Nishith Rajnikant Shah *Designation*: Chairman and Whole-time Director *Address:* 41, Valentina, Naoroji Gamadia Road, Near Activity School, Off Peddar Road, Cumballa Hill, Mumbai – 400026, Maharashtra, India *Occupation:* Business *Date of birth:* June 21, 1959 *Nationality:* American *Current Term:* 5 years with effect from February 1, 2022 and not liable to retire by rotation** *Period of Directorship:* Director since incorporation* *DIN:* 00381267	62	• Friends Fab Form Private Limited
2.	Gaurang Natwarlal Parikh *Designation:* Managing Director *Address:* Blue Garden CHSL, 7th floor, Flat No. 23, Dr. G.D. Marg, Opposite Jindal House, Peddar Road, Cumballa Hill, Mumbai – 400026, Maharashtra, India *Occupation:* Business *Date of birth:* February 9, 1973 *Nationality: Indian* *Current Term:* For a term of 5 years with effect from February 1, 2022 and liable to retire by rotation *Period of Directorship:* Director since August 9, 2001* *DIN:* 00190701	49	Nil
3.	Dhaval Nalin Parikh *Designation:* Joint Managing Director	41	Nil

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
	Address: 3103 3104 T4, Crescent Bay, Jerbai Wadia Road, Parel Bhoiwada, Mumbai, Mumbai City 400012, Maharashtra, India *Occupation:* Business *Date of birth:* November 11, 1980 *Nationality:* Indian *Current Term:* For 5 years with effect from February 1, 2022 and liable to retire by rotation *Period of Directorship:* Director since May 31, 2007* *DIN:* 01636199		
4.	Pankil Nishith Dharia *Designation:* Whole-time Director – Strategy and Business Development *Address:* Flat number 16, 8th floor, Brij Bhavan Building, 630 Peddar Road, Cumballa Hill, Mumbai - 400026, Maharashtra, India *Occupation:* Business *Date of birth:* April 14, 1984 *Nationality:* American *Current Term:* 5 years with effect from February 1, 2022 and liable to retire by rotation *Period of Directorship:* Director since November 15, 2010* *DIN:* 03309485	37	Nil
5.	Lakshmi Kantam Mannepalli *Designation:* Non-Executive Independent Director *Address:* 2-2-20/B/8, Flat number 501 palms DD colony, Bagh Amberpet, Hyderabad - 500013, Telangana, India *Occupation:* Service *Date of birth:* March 4, 1955 *Nationality:* Indian *Current Term:* 5 years with effect from March 1, 2022 and not liable to retire by rotation *Period of Directorship:* Director since March 1, 2022 *DIN:* 07831607	66	• Indo Amines Limited • Godavari Biorefineries Limited • Vinati Organics Limited

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
6.	Ajay Motilal Jain *Designation:* Non-Executive Independent Director *Address:* Flat Number 802, EMP-49, Thakur Village, Kandivali East, Mumbai - 400101, Maharashtra, India *Occupation:* Management Consultant *Date of birth:* July 02, 1965 *Nationality:* Indian *Current Term:* 5 years with effect from March 1, 2022 and not liable to retire by rotation *Period of Directorship:* Director since March 1, 2022 *DIN:* 02815416	56	• Diffusion Engineers Limited
7.	Srinivasan Subramanian *Designation:* Non-Executive Independent Director *Address:* Unit Number 3, Green House, Plot Number 93, Sector 21, Nerul, Navi Mumbai, Node-3, Thane - 400706, Maharashtra, India *Occupation:* Advisory/ Consultancy Services *Date of birth:* January 2, 1954 *Nationality:* Indian *Current Term:* 5 years with effect from March 1, 2022 and not liable to retire by rotation *Period of Directorship:* Director since March 1, 2022 *DIN:* 09439443	68	Nil
8.	Ramakrishnan Gopalkrishnan *Designation:* Non-Executive Independent Director *Address:* Raaj, Plot Number 51, Sector number 28, Behind Hotel Blue Diamond, Vashi, Navi Mumbai, Vashi, Thane, Maharashtra- 400703, India *Occupation:* Business *Date of birth:* May 26, 1954 *Nationality:* Indian *Current Term:* 5 years with effect from March 1, 2022 and not liable to retire by rotation *Period of Directorship:* Director since March 1, 2022 *DIN:* 00264760	68	• Galaxy Surfactants Limited • Galaxy Emulsifiers Private Limited • Galaxy Finsec Private Limited • Osmania Traders Private Limited • Galaxy Chemicals Inc., USA • Trik-K Industries Inc, USA • Galaxy Chemicals Egypt (SAE)

** We do not have all the forms and/or corporate resolutions for the period of directorship of the directors. For further details, please see "Risk Factors – Our Company was incorporated in 1992 and some of our corporate records relating to changes in the share capital of our Company, allotments made by our Company, buy-back of equity shares and transfers, acquisitions of Equity Shares made by our Promoters, and appointment of Directors, are not traceable"*
*** Nishith Rajnikant Shah was appointed as the Chairman of our Company pursuant to a board resolution dated February 24, 2022.*

Brief Biographies of Directors

Nishith Rajnikant Shah is the Chairman and Whole-time director of our Company. He holds a master's degree in engineering from the California Polytechnic State University, USA. He was associated with Heatreaters and Engineers, Heat Fabs and Pratech Brands Private Limited. He is also currently associated with Friends Fab Form Private Limited. He holds 32 years of experience in the chemical industry. He has been associated with our Company as a director since its incorporation and is one of the founders of our Company.

Gaurang Natwarlal Parikh is the Managing Director of our Company. He holds a bachelor's degree in engineering, in chemical branch from University of Pune, India and a master's of science in chemical engineering from the University of Toledo, USA. He holds over 22 years of experience in the chemical industry. Prior to joining our Company, he was associated with Rostone Corp and The Budd Company, USA. He was also a director in Pratech Brands Private Limited. He has been associated with our Company as a director since August 9, 2001.

Dhaval Nalin Parikh is a Joint-Managing Director of our Company. He holds a bachelor's degree in technology (Polymer technology) from Institute of Chemical Technology, from University of Mumbai, India, and a master's of science in engineering (Plastics engineering) from University of Massachusetts, Lowell, USA. Prior to joining our Company, he was associated with GE Plastics, USA and holds 17 years of experience in the chemicals industry. He has been associated with our Company as a Director since May 31, 2007.

Pankil Nishith Dharia is a Whole-time Director – Strategy and Business Development of our Company. He holds a bachelor's degree in Electrical Engineering and a bachelor's degree in Science in Liberal Arts and Sciences from University of Illinois at Urbana Champagne (UIUC). Prior to joining our Company, he was associated with Medtronic Inc, USA. and holds 15 years of industry experience. He has been associated with our Company since November 15, 2010.

Lakshmi Kantam Mannepalli is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in science from Andhra University, and a master's degree and PhD in chemistry from Kurukshetra University. Prior to joining our Company, she was associated as a director with Council of Scientific and Industrial Research – Indian Institute of Chemical Technology, Hyderabad. She is also an Independent Director of Godavari Biorefineries Limited, Indo Amines and Vinati Organics. She is currently working as Dr. B.P. Godrej Distinguished Professor of Green Chemistry and Sustainability Engineering at the Institute of Chemical Technology. She has also been elected as a fellow of the Indian National Science Academy and a fellow of the Royal Society of Chemistry. She is also an Honorary Professor at the University of Newcastle, Australia. She has been associated with our Company since March 1, 2022.

Ajay Motilal Jain is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Bombay. He has also received certificate of achievement in TOC Fundamentals from Theory of Constraints International Certification Organization and is recognised as a certified practitioner in project management and supply-chain logistics by the Theory of Constraints International Certification Organization. Prior to joining our Company, he was associated with Waaree Instruments Limited, Vasavadatta Cement Limited, Neuland Laboratories Limited and Hindustan Shipyard Limited. He has been associated with our Company since March 1, 2022.

Srinivasan Subramanian is a Non-Executive Independent Director of our Company. He is a certified Chartered Accountant and Company Secretary. He holds a bachelor's degree in Science (Majors in Chemistry) from University of Madras. Prior to joining our Company, he was associated with Indian Bank, Indian Bank Mutual Fund, Western Goalfield Limited, Indian Aluminium Company Limited, Indian Overseas Bank and Lloyd Finance. He has been associated with our Company since March 1, 2022.

Ramakrishnan Gopalkrishnan is a Non-Executive Independent Director of our Company. He holds a master's degree in commerce from University of Bombay. He is also a 'fellow member' of the Institute of Chartered Accountants of India and the Institute of Cost and Work Accountants of India. He has been felicitated with The Lotus Foundation Scholarship, the M.R. DeSouza Scholarship for the year 1974. Prior to joining our Company, he has been associated with Galaxy Surfactants Limited as a director since 1986. He has been associated with our Company since March 1, 2022.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our current Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director 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 their tenure as a director in such company.

Confirmations

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors are related to each other in terms of the SEBI ICDR Regulations or the Companies Act, 2013.

Terms of appointment of Directors

1. Remuneration to Executive Directors:

Nishith Rajnikant Shah

Nishith Rajnikant Shah has been a Director of our Company since incorporation. Pursuant to a resolution passed by our board on January 18, 2022, he was re-appointed as a Whole-time Director of our Company. Further, he was designated as the Chairman of our Company, with effect from February 24, 2022, pursuant to a shareholders' resolution dated February 1, 2022. Nishith Rajnikant Shah is entitled to the following remuneration and other employee benefits, in terms of the aforesaid resolutions and letter of appointment dated February 1, 2022:

a. Basic remuneration amounting to ₹ 9.57 million per annum, housing and rent allowance amounting to ₹ 8.37 million per annum, education allowance amounting to ₹ 3.59 million per annum, other allowance amounting to ₹ 2.4 million per annum and annual increments up to 10% per annum or up to ₹ 75 million subject to approval of Nomination and Remuneration Committee/Board of Directors/Shareholders;
b. Performance linked bonus, up to 1.56 % of profit before taxes as may be decided by our Nomination and Remuneration Committee/ Board;
c. Medical reimbursement as per the company policy; and
d. Company car and other perquisites/ benefits as per our Company's policy.
e. Bonus amounting to ₹ 0.80 million per annum and gratuity (as per company policy) amounting to ₹ 0.92 million per annum

In Fiscal 2022, he received an aggregate compensation of ₹29.36 million (excluding statutory bonus pursuant to the Payment of Bonus Act, 1956, and performance linked bonus accrued for Fiscal 2022).

Gaurang Natwarlal Parikh

Gaurang Natwarlal Parikh has been a Director of our Company since August 9, 2001. Thereafter, pursuant to a resolution passed by the Board on January 18, 2022, he was appointed as the Managing Director of our Company. Pursuant to a shareholders' resolution dated February 1, 2022, Gaurang Natwarlal Parikh is entitled to the following remuneration and other employee benefits, in terms of the aforesaid resolutions and letter of appointment dated February 1, 2022:

a. Fixed salary amounting to ₹ 6.77 million per annum, housing and rent allowance amounting to ₹ 5.92 million per annum, education allowance amounting to ₹ 2.54 million per annum, other allowance amounting to ₹ 1.7 million per annum and annual increments up to 10% per annum or up to ₹ 60 million subject to approval of Nomination and Remuneration Committee/Board of Directors/Shareholders;
b. Performance linked bonus, up to 1.10 % of profit before taxes as may be decided by our Nomination and Remuneration Committee/ Board;
c. Medical reimbursement as per the company policy; and
d. Company car and other perquisites/ benefits as per our Company's policy.

e. Bonus amounting to ₹ 0.56 million per annum and gratuity (as per company policy) amounting to ₹ 0.65 million per annum.

In Fiscal 2022, he received an aggregate compensation of ₹20.76 million (excluding statutory bonus pursuant to the Payment of Bonus Act, 1956, and performance linked bonus accrued for Fiscal 2022).

Dhaval Nalin Parikh

Dhaval Nalin Parikh has been a director of our Company since May 31, 2007. Thereafter, pursuant to a resolution passed by the Board on January 18, 2022, he was appointed as the Joint Managing Director of our Company. Pursuant to a shareholders' resolution dated February 1, 2022 and Dhaval Nalin Parikh is entitled to the following remuneration and other employee benefits, in terms of the aforesaid resolutions and letter of appointment dated February 1, 2022:

a. Fixed salary amounting to ₹ 5.12 million per annum, housing and rent allowance amounting to ₹ 4.48 million per annum, education allowance amounting to ₹ 1.92 million per annum, other allowance amounting to ₹ 1.28 million per annum and annual increments up to 10% per annum or up to ₹ 50 million subject to approval of Nomination and Remuneration Committee/Board of Directors/Shareholders;
b. Performance linked bonus, up to 0.83 % of profit before taxes as may be decided by our Nomination and Remuneration Committee/ Board;
c. Medical reimbursement as per the company policy; and
d. Company car and other perquisites/ benefits as per our Company's policy.
e. Bonus amounting to ₹ 0.56 million per annum and gratuity (as per company policy) amounting to ₹ 0.60 million per annum.

In Fiscal 2022, he received an aggregate compensation of ₹15.70 million (excluding statutory bonus pursuant to the Payment of Bonus Act, 1956, and performance linked bonus accrued for Fiscal 2022).

Pankil Nishith Dharia

Pankil Nishith Dharia has been a director of our Company since November 15, 2010. Thereafter, pursuant to a resolution passed by the Board on January 18, 2022, he was appointed as a Whole-time Director - Strategy and Business Development of our Company. Pursuant to a shareholders' resolution dated February 1, 2022, Pankil Nishith Dharia is entitled to the following remuneration and other employee benefits, in terms of the aforesaid resolutions and letter of appointment dated February 1, 2022:

a. Fixed salary amounting ₹ 3.08 million per annum, housing and rent allowance amounting to ₹ 2.7 million per annum, education allowance amounting to ₹ 1.16 million per annum, other allowance amounting to ₹ 0.77 million per annum and annual increments up to 10% per annum or up to ₹ 40 million subject to approval of Nomination and Remuneration Committee/Board of Directors/Shareholders;
b. Performance linked bonus, based on up to 0.50 % of profit before taxes as may be decided by our Nomination and Remuneration Committee/ Board;
c. Medical reimbursement as per the company policy; and
d. Company car and other perquisites/ benefits as per our Company's policy.
e. Bonus amounting to ₹ 0.26 million per annum and gratuity (as per company policy) amounting to ₹ 0.30 million per annum.

In Fiscal 2022, he received an aggregate compensation of ₹11.88 million (excluding statutory bonus pursuant to the Payment of Bonus Act, 1956, and performance linked bonus accrued for Fiscal 2022).

2. Sitting Fee details of Non – executive Independent Directors:

Pursuant to the Board resolution dated March 1, 2022, each Non-executive Independent Director, is entitled to receive sitting fees of ₹ 40,000 per meeting for attending meetings of the Board and ₹ 25,000 per meeting for attending meetings of the committees. Details of the remuneration paid to the Non- Executive Independent Directors of our Company for the Financial Year 2022 are as follows:

Sl. No.	Name of Director	Sitting Fees (in ₹ million)
1.	Ramakrishnan Gopalkrishnan	0.03
2.	Srinivasan Subramanian	0.03
3.	Ajay Motilal Jain	0.03
4.	Lakshmi Kantam Mannepalli	0.03

Shareholding of Directors in our Company

Our Articles of Association do not require our directors to hold any qualification shares. The shareholding of the Directors in our Company as of the date of this Draft Red Herring Prospectus is set forth below:

Name of Director*	Number of Equity Shares held
Gaurang Natwarlal Parikh	5,200,000
Nishith Rajnikant Shah	100,000
Dhaval Nalin Parikh	1,800,000
Pankil Nishith Dharia	20,000

**As first holder only, held jointly with certain other Shareholders.*

Interest of Directors

All our Non-Executive Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*Our Management – Terms of appointment of our Directors – Remuneration to Whole-time Directors*" on page 219.

The Company has purchased land from Dhaval Nalin Parikh ("**Vendor**") and Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Pankil Nishith Dharia and Bhisham Kumar Gupta ("**confirming Parties**") on January 20, 2022. The consideration involved in the transaction is ₹ 44.10 million and the aforementioned Directors may be interested in this property to the extent applicable. The land is situated at Survey No. 74, Hissa No. 3, totally admeasuring 2-08-00 Hectors, lying and being at Revenue Village Thane Nhave, Taluka Khalapur, Dist. Raigad, Maharashtra. The Company had undertaken a valuation dated January 10, 2022 through Shipra B. Goel, architect and government approved valuer, to assess the fair market value of the said land and the transaction was conducted on an arm's length basis. Except for the aforestated, none of our directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh and Pankil Nishith Dharia may also be interested to the extent of their shareholding in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

No loans have been availed by our Directors from our Company.

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Other than as stated below, there has been no change in the Board in the three preceding years:

Name	Date of Change	Reason
Ramakrishnan Gopalkrishnan	March 1, 2022	Appointed as Non-Executive Independent Director
Srinivasan Subramanian	March 1, 2022	Appointed as Non-Executive Independent Director
Ajay Motilal Jain	March 1, 2022	Appointed as Non-Executive Independent Director
Lakshmi Kantam Mannepalli	March 1, 2022	Appointed as Non-Executive Independent Woman Director
Anvi Nishith Shah	October 31, 2021	Resignation as Director owing to personal reasons.
Bhisham Kumar Gupta	October 31, 2021	Resignation as Director owing to personal reasons.
Tushar Natwarlal Dharia	October 31, 2021	Resignation as Director owing to personal reasons.
Suketu Navinchandra Parikh	October 31, 2021	Resignation as Director owing to personal reasons.
Anvi Nishith Shah	September 1, 2021	Change in designation from Executive Director to Non-Executive Director

Name	Date of Change	Reason
Jatin Narendra Parikh	August 12, 2021	Resignation as Director owing to personal reasons.
Anvi Nishith Shah	November 5, 2020	Appointed as Executive Director
Anvi Nishith Shah	October 1, 2020	Appointed as an Additional Executive Director
Arun Keshav Dudhane	March 31, 2020	Resignation as Executive Director owing to personal reasons

Borrowing Powers of Board

In accordance with the Articles of Association and Section 180(1)(c) of the Companies Act, 2013, and pursuant to the special resolution dated March 3, 2022, passed by the Shareholders of the Company, enabled the Board of Directors to Borrow money in excess of the aggregate of the paid-up share capital and free reserves of the Company. The members of the Company approved the Board to borrow up to ₹ 6,000 million which is in excess of the aggregate of the paid-up share capital and free reserves of the Company at any point of time.

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted/ re-constituted the following Board committees:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) Risk Management Committee.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

- Srinivisan Subramanian – Chairperson
- Ajay Motilal Jain – Member
- Ramakrishnan Gopalkrishnan– Member

The Audit Committee was voluntarily constituted on January 18, 2022 and re-constituted on March 1, 2022. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and its terms of reference are as follows:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(a) 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;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions; and

(g) Modified opinion(s) in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. 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 offer 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. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutinising of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

13. 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;

14. Discussing with internal auditors on any significant findings and follow up thereon;

15. 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;

16. Discussing 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;

17. 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;

18. Reviewing the functioning of the whistle blower mechanism;

19. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;

22. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

23. 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; and

24. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The powers of the Audit Committee are as follows:

1. To investigate any activity within its terms of reference;

2. To seek information from any employee;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary

The Audit Committee shall also mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

6. Statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and

    (ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the Listing Regulations."

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are as follows:

- Ramakrishnan Gopalkrishnan – Chairperson
- Srinivasan Subramanian – Member
- Ajay Motilal Jain - Member

The Nomination and Remuneration Committee was voluntarily constituted on January 18, 2022 and re-constituted on March 1, 2022. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the SEBI LODR. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending 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 the 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;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

5. 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;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. 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;

8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

13. Recommend to the Board, all remuneration, in whatever form, payable to senior management."

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

- Ajay Motilal Jain - Chairperson
- Nishith Rajnikant Shah - Member
- Gaurang Natwarlal Parikh - Member

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on March 1, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the SEBI LODR. The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.

3. Review of the various 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.

4. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

5. To approve, register, refuse to register transfer or transmission of shares and other securities;

6. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

7. Allotment and listing of shares;

8. To authorise affixation of common seal of the Company;

9. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

10. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

11. To dematerialize or rematerialize the issued shares;

12. Ensure proper and timely attendance and redressal of investor queries and grievances;

13. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

14. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

- Lakshmi Kantam Manepalli - Chairperson
- Nishith Rajnikant Shah - Member
- Gaurang Natwarlal Parikh – Member

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on May 12, 2014 and re-constituted on March 1, 2022. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company in areas or subjects as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

2. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

3. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

4. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

5. 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;

6. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

7. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Risk Management Committee

The members of the Risk Management Committee are as follows:

- Nishith Rajnikant Shah - Chairperson
- Gaurang Natwarlal Parikh – Member
- Ramakrishnan Gopalkrishnan – Member

The Risk Management Committee was constituted by our Board at their meeting held on March 1, 2022. The terms of reference of the Risk Management Committee of our Company include the following:

1. Formulating a detailed risk management policy for *inter alia* risk assessment and minimization procedures which will include:

   (a) A 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 risks as may be determined by the committee;

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks;

   (c) Business continuity plan;

2. Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems, including cyber security;

4. Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and the terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. 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; and

8. 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.

Management Organisation Chart

Key Managerial Personnel

For details in relation to our Executive Directors who are also are Key Managerial Personnel, namely, Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh and Pankil Nishith Dharia, see "*Brief Biographies of Directors"* and "*Remuneration to Executive Directors*" on pages 219 and 218, respectively. In addition to our Executive Directors, the details of the other Key Managerial Personnel of our Company are as follows:

Hitesh Harendrakumar Sheth is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Shri Narsee Monjee College of Commerce and Economics, University of Mumbai and NOV finance leadership program from Jesse H. Jones Graduate School of Business, Rice University. He is also a certified Chartered Accountant and Company Secretary. Prior to joining our Company, he was associated, among others, with Epsilon Carbon Private Limited, NOV India Private Limited and Neterwala Consulting and Corporate Services Limited. He holds an experience of over 21 years in the industry. He joined our organization on September 1, 2021. In Financial Year 2022, he was paid a remuneration of ₹ 4.05 million*.

Kiran Agrawal is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and holds a bachelor's degree in Commerce and law, from the University of Bombay. She has over 21 years of experience in handling secretarial and compliance matters and she is responsible for ensuring compliance with corporate governance norms and other provisions of the Companies Act and rules thereunder, of our Company. Prior to joining our Company, she was associated with BDPS Software Limited, Synergy Multibase Limited, Britt Worldwide India Private Limited, SOTC Travel Limited, Suryoday Small Finance Bank Limited and Chemspec Chemicals Private Limited. She was also awarded with best compliance management award in her previous organization, SOTC Travel Limited. She joined our Company on February 1, 2022. In Financial Year 2022, she was paid a remuneration of ₹ 0.19 million*.

Dr. Chitra Vaidya is the Research and Development head of our Company. She holds a bachelor's degree in science, from Faculty of Science, University of Poona and has completed her PhD in chemistry from Faculty of Science, University of Poona. Prior to joining our Company, she was associated, among others, with USV Limited, Merck Development Centre Private Limited and with speciality companies including Dorf Ketal Chemical (I) Private Limited and has overall 18 years of experience. She has been associated with our organization since January 4, 2010 as a consultant and was promoted to the position of Head of Research and Development on April 1, 2016. In Financial Year 2022, she was paid a remuneration of ₹ 1.25 million*.

Shrikant Basarkar is the Vice-President for Purchase of our Company. He holds a diploma in mechanical engineering from Board of Technical Examinations, Maharashtra State. Prior to joining our Company, he was associated, among others, with Mukand Limited and Larsen & Toubro Limited and has overall 26 years of experience. He joined our organization on February 10, 2020. In Financial Year 2022, he was paid a remuneration of ₹1.32 million*.

Avinash Kulkarni is AGM – Corporate - EHS of our Company. He holds a diploma in Industrial safety and diploma in chemical engineering from Board of Technical Examinations, Maharashtra State. Prior to joining our Company, he was associated, among others, with National Peroxide Limited, Mafatlal Industries Limited, Sun Pharmaceuticals Industries Limited, Innotech Pharma Limited, Nicholas Piramal India Limited, USV Limited, Clariant Chemicals (India) Limited, Syngenta India Limited, and ACC Limited and has more than 18 years of experience. He joined our organization on September 1, 2021. In Financial Year 2022, he was paid a remuneration of ₹0.47 million*.

Aniruddha Sudheer Dharmadhikari is the Senior Vice President - International Business of our Company. He holds a bachelor's degree in chemical engineering from University of Pune and has completed his master's degree in management studies from University of Mumbai. Prior to joining our Company, he was associated, among others with, Brenntag, Alkyl Amines Chemicals Limited, Mega Visa Marketing and Solutions limited, KPL International Limited, Chemspec Chemicals Private Limited and EAC Industrial Ingredients and has over 18 years of experience**.** He joined our organization on November 18, 2019. In Financial Year 2022, he was paid a remuneration of ₹3.71 million*.

Dhaval Nitin Shah is the General Manager – Technical and Projects of our Company. He holds a bachelor's degree in Engineering from the University of Mumbai and a master's of science in industrial engineering from the University of Texas at Arlington. Prior to joining our Company, he was associated, among others, with Hollman, Inc. and Max I.E.G LLC and has overall 12 years of experience. He joined our organization on August 24, 2009. In Financial Year 2022, he was paid a remuneration of ₹1.43 million*.

Vilas Mahadu Patil is the Works Manager of our Company. He holds a diploma in chemical engineering from Board of Technical Examinations, Maharashtra State. He joined our organization on February 15, 1996 and has overall 25 years of experience. In Financial Year 2022, he was paid a remuneration of ₹1.62 million*.

Rakesh Jadhav is the Chief Information Officer of our Company. He holds a bachelor's degree in BCA from Directorate of Distance Education, Madurai Kamaraj University. He is also qualified as a Certified Information Systems Auditor. Prior to joining our Company, he was associated, among others, with Elde Info Solutions Private Limited, MRC Logistics (India) Private Limited and Nitya Computers and has also acted as an independent consultant to our company. He has overall 14 years of experience. He was appointed as the Chief Information Officer of our Company on November 1, 2021. In Financial Year 2022, he was paid a remuneration of ₹1.12 million*.

Shripad Shankar Chavan is the Assistant General Manager, Business Development, of our Company since April 1, 2019. He holds a post-graduate diploma in management studies from R.A. Podar College of Commerce and Economics, Mumbai. He has overall 14 years of experience. He joined our organization on December 6, 2007. In Financial Year 2022, he was paid a remuneration of ₹1.31 million*.

Shobha Ramchandran Shettyan is the Assistant General Manager (HR & Admin) of our Company. She holds a degree in Bachelor of Arts, from University of Mumbai and a master's degree in business administration with specialisation in human resource management from Tilak Maharashtra Vidyapeeth, Pune and post graduate diploma in customer relationship management from Symbiosis Centre for Distance learning. Prior to joining our Company, she was associated, among others with Hikal Limited, and Endress + Hauser (India) Private limited and has over 13 years of experience. She joined our organization on November 16, 2015. In Financial Year 2022, she was paid a remuneration of ₹0.80 million*.

Note: ** The compensation mentioned above excludes statutory bonus (under the Payment of Bonus Act, 1965) relating to Fiscal 2022 payable at a later date.*

Status of Key Managerial Personnel

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

Relationship between our Directors and Key Managerial Personnel

None of our other Directors are related to each other or to our Key Managerial Personnel, in terms of the SEBI ICDR Regulations or the Companies Act, 2013.

Shareholding of Key Managerial Personnel

Except for Gaurang Natwarlal Parikh, Nishith Rajnikant Shah, Dhaval Nalin Parikh and Pankil Nishith Dharia, who are the Directors of our company and hold Equity shares in our Company, which is disclosed in "- *Shareholding of Directors in our Company*" on page 221, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Bonus or profit-sharing plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel

Other than as disclosed in this section, and in "*Financial Statements – Related Party Relationships, Transactions, Balances* and "*Our Management - Interest of Directors*" on pages 323 and 221, respectively, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Arrangements and understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been selected as the Key Managerial Personnel of our Company.

Service Contracts with Directors and Key Managerial Personnel

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Retirement benefits

Our Key Managerial Personnel have not entered into any service contracts with our Company which include retirement benefits. Except statutory benefits upon superannuation, none of the Key Managerial Personnel is entitled to any benefit upon superannuation.

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

There is no contingent or deferred compensation accrued for Financial Year 2021 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

No non– salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Changes in the Key Managerial Personnel

Except as disclosed below and in "*Changes in the Board in the last three years*" on page 221, there has been no change in the Key Managerial Personnel in the last three years. Further, the attrition rate of Key Managerial Personnel of our Company is not high as compared to our peers.

Name	Date of Change	Reason
Kiran Agrawal	February 1, 2022	Appointment as Company Secretary and Compliance Officer
Suvarnalata Sumit Gurav	January 25, 2022	Cessation as Company Secretary
Rakesh Jadhav	November 1, 2021	Appointed as Chief Information Officer
Hitesh Harendrakumar Sheth	September 1, 2021	Appointed as Chief Financial Officer
Avinash Kulkarni	September 1, 2021	Appointed as AGM – Corporate - EHS
Suvarnalata Sumit Gurav	August 30, 2021	Appointed as Company Secretary
Srikant Bhaskar	February 10, 2020	Appointed as Vice President of Purchase
Aniruddha Sudheer Dharmadhikari	November 18, 2019	Appointed as Senior Vice President – International Business
Shripad Chavan	April 1, 2019	Change in Designation - Appointed as Assistant General Manager – Business Development

Employee Stock Option Scheme

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

1. Nishith Rajnikant Shah;
2. Gaurang Natwarlal Parikh;
3. Dhaval Nalin Parikh;
4. Pankil Nishith Dharia;
5. Sachin Jatin Parikh;
6. Rakesh Gupta;
7. Nishith Rasiklal Dharia;
8. Kunal Tushar Dharia; and
9. Suketu Navinchandra Parikh.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold (a) 16,500,000 Equity Shares aggregating to 28.45% of the issued, subscribed and paid-up Equity Share capital of our Company (as first holders only), and (b) 35,999,000 Equity Shares aggregating to 62.07% of the issued, subscribed and paid-up Equity Share capital of our Company (as first or second holders).

Details of our Promoters

1. Nishith Rajnikant Shah

Nishith Rajnikant Shah, aged 62 years, is one of our Promoters and is also the Chairman and Whole-time Director on our Board. For further details, *i.e.*, his date of birth, residential address, educational qualifications, professional experience, business and financial activities, special achievements, positions / posts held in the past, other directorships, and other ventures, see "*Our Management – Brief biographies of Directors*" on page 218.

His permanent account number is AAFPS2657C.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

2. Gaurang Natwarlal Parikh

Gaurang Natwarlal Parikh, aged 49 years, is one of our Promoters and is also the Managing Director on our Board. For further details, *i.e.*, his date of birth, residential address, educational qualifications, professional experience, business and financial activities, special achievements, positions / posts held in the past, other directorships, and other ventures, see "*Our Management – Brief biographies of Directors*" on page 218.

His permanent account number is AGKPP1804B.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

3. Dhaval Nalin Parikh

Dhaval Nalin Parikh, aged 41 years, is one of our Promoters and is also a Whole-time Director on our Board. For further details, *i.e.*, his date of birth, residential address, educational qualifications, professional experience, business and financial activities, special achievements, positions / posts held in the past, other directorships, and other ventures, see "*Our Management – Brief biographies of Directors*" on page 218.

His permanent account number is ADQPP3083R.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter*, *our Promoter Group and Selling Shareholders*" on page 20.

4. Pankil Nishith Dharia

Pankil Nishith Dharia, aged 37 years, is one of our Promoters and is also a Whole Time Director – Strategy and Business Development on our Board. For further details, *i.e.*, his date of birth, residential address, educational qualifications, professional experience, business and financial activities, special achievements, positions / posts held in the past, other directorships, and other ventures, see "*Our Management – Brief biographies of Directors*" on page 218.

His permanent account number is AIUPD4610K.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter*, *our Promoter Group and Selling Shareholders*" on page 20.

5. Sachin Jatin Parikh

Sachin Jatin Parikh, aged 39 years, is one of our Promoters.

His permanent account number is APBPP2074D. He holds a bachelor's degree in engineering (in electronics and telecommunication engineering) from University of Mumbai and master's degree in science (in electrical engineering) from University of Massachusetts. He has in the past worked with FSN E-Commerce Ventures Private Limited as business head and has experience in finance, accounts, and business management. The business and financial activities undertaken by him is e-commerce retailing.

He is a partner in Aastha Investment Company.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

Set out below are certain further details:

Date of birth: August 8, 1982

Address: #43 Valentina Building, Naorogi Gamadia Road, Opposite Activity High School, Cumballa Hill, Mumbai - 400026, Maharashtra

He is a director in the following companies:

(i) Pratech Brands Private Limited;
(ii) Neesan Ventures Private Limited; and
(iii) Hyuga Ecommerce Ventures Private Limited.

6. Rakesh Gupta

Rakesh Gupta, aged 52 years, is one of our Promoters.

His permanent account number is AAFPG3717P. He holds a bachelor's degree in science from the Bangalore University. He has in the past worked with Fujistu India Private Limited as an account manager, Telstra Corporation Ltd as an SFD adaptive network specialist and project specialist. He has experience in the information technology and telecom industry.

He is a partner in Apex Computers & Peripherals.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

Set out below are certain further details:

Date of birth: December 12, 1969

Address: Unit-1, Plot 49, Sector 28, Near Hotel Blue Diamond, Vashi, Navi Mumbai, Raigarh, Maharashtra - 400703

Directorships in other companies: Stella Exim Pty Ltd.

7. **Nishith Rasiklal Dharia**

Nishith Rasiklal Dharia, aged 64 years, is one of our Promoters.

His permanent account number is AABPD2319Q. He holds a bachelor's degree in commerce from the University of Bombay.

He is a partner in the following partnership firms:
(i) Nishith Electric Corporation;
(ii) Voltamp Systems;
(iii) Sentinel Electric Co.; and
(iv) Elpro Agencies.

The business and financial activities undertaken by him involves distribution of electrical switchgears.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

Set out below are certain further details:

Date of birth: October 13, 1957

Address: 8/16, Brij Bhavan, 630, Pedder Road, Opposite Villa Teresa School, Cumballa Hill, Mumbai - 400026, Maharashtra

Directorships in other companies: Nil

8. **Kunal Tushar Dharia**

Kunal Tushar Dharia, aged 34 years, is one of our Promoters.

His permanent account number is AAHPD3098C. He holds a master's degree in business administration (international business) from Brandeis University. He is a partner in Maxima FRP Product.

The business and financial activities undertaken by him involves manufacturing of plastic industrial products.

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

Set out below are certain further details:

Date of birth: October 14, 1987

Address: Dhanvantri Bhavan, Flat No, 34, 9th Floor, 143/B, August Kranti Marg, Kemps Corner, Mumbai - 400036, Maharashtra

Directorships in other companies: Nil

9. Suketu Navinchandra Parikh

Suketu Navinchandra Parikh, aged 58 years, is one of our Promoters.

His permanent account number is AABPP9784D. He holds a bachelor's degree in engineering (in industrial and production engineering) from Bangalore University. The business and financial activities undertaken by him involve manufacturing of manufacturing of critical equipment.

He is a partner in the following partnership firms:
(i) Heatreaters and Engineers; and
(ii) Heat Fabs

For details of his shareholding, please see "*Summary of the Offer Document - Aggregate pre-Offer shareholding of our Promoter, our Promoter Group and Selling Shareholders*" on page 20.

Set out below are certain further details:

Date of birth: September 27, 1963

Address: A/20, Sukhmani Apartments Associated CHS, 683 Bomanji Petit Road, Near Parsi General Hospital, Cumballa Hill, Mumbai - 400026, Maharashtra

Directorships in other companies: Friends Fab Form Private Limited.
.

Except as disclosed in this section and in *"Our Management – Board of Directors"* on page 215, the Promoters are not involved in any other venture.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhar card number, and driving license number of our Promoters shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Change in Control of our Company

While there has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, the following have been identified as promoters pursuant to a resolution passed by our Board on February 24, 2022. For further details of acquisition of Equity Shares by our Promoters, please see "*Build-up of Promoters' shareholding in our Company*" on page 96.

1. Nishith Rajnikant Shah;
2. Gaurang Natwarlal Parikh;
3. Dhaval Nalin Parikh;
4. Pankil Nishith Dharia;
5. Sachin Jatin Parikh;
6. Rakesh Gupta;
7. Nishith Rasiklal Dharia;
8. Kunal Tushar Dharia; and
9. Suketu Navinchandra Parikh.

Interests of Promoters

Interest in the promotion of our Company

Our Promoters are interested in our Company to the extent that they are the promoters of our Company, and to the extent of their respective shareholding in our Company. For further details, see "*Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in our Company*" on page 96.

Interest in the property of our Company

Except as disclosed below, our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Company has purchased land from Dhaval Nalin Parikh ("**Vendor**") and Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Pankil Nishith Dharia and Bhisham Kumar Gupta ("**Confirming Parties**") on January 20, 2022. The consideration involved in the transaction is ₹ 44.10 million. The land is situated at Survey No. 74, Hissa No. 3, totally admeasuring 2-08-00 Hectors, lying and being at Revenue Village Thane Nhave, Taluka Khalapur, Dist. Raigad, Maharashtra. The Company had undertaken a valuation dated January 10, 2022 through Shipra B. Goel, architect and government approved valuer, to assess the fair market value of the said land and the transaction was conducted on an arm's length basis.

Interest in our Company arising out of being a member of a firm or company

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 them or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoter

Our Promoters are interested in our Company to the extent of their directorship (and consequently remuneration payable to them and reimbursement of expenses) in our Company and the dividends payable, if any, and any other distribution in respect of their respective shareholding in our Company or the shareholding of their relatives in our Company. For further details, see sections titled "*Our Management"*, *"Capital Structure"* and "*Financial Information*" on pages 215, 75 and 244, respectively, our Promoters do not have any other interest in our Company.

Payment or benefits to Promoters or Promoter Group

Except as stated in "*Related Party Transactions*" on page 334, there have been no amounts paid or benefits paid or given by our Company to our Promoters or Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoters in the last three years

Except as disclosed 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 Promoter(s)	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of disassociation
Nishith Rajnikant Shah	Pratech Brands Private Limited	Resignation from directorship	November 30, 2021
		Sale/ transfer of shareholding	December 06, 2021
Gaurang Natwarlal Parikh	Pratech Brands Private Limited	Resignation from directorship	November 30, 2021
		Sale/ transfer of shareholding	December 06, 2021
Dhaval Nalin Parikh	Dipnal Investments Private Limited	Company struck-off	January 28, 2022

Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

A. Natural persons who are a part of our Promoter Group

1. Aarya Sachin Parikh;
2. Ami Tushar Dharia;
3. Anju Agarwal;
4. Anushka Gaurang Parikh;
5. Anvi Nishith Shah;
6. Arjun Sachin Parikh;
7. Ashna N Shah;
8. Asit Rasiklal Dharia;
9. Atmeek Atul Sohni;
10. Atul D Sohni;
11. Avika Kunal Dharia;
12. Bela Nitin Mody;
13. Bhairavi A Sohni;
14. Bhavna Deepak Parikh;
15. Bhisham Kumar Gupta;
16. Bipin Gandhi;
17. Chamak Jatin Parikh;
18. Daisy Deep Goel;
19. Dipti Nalin Parikh;
20. Hemali Ashish Gandhi;
21. Hemangini A Sohni;
22. Himanshu Babulal Parikh;
23. Induben Rasiklal Dharia;
24. Janhavi Nihir Parikh
25. Jatin Parikh;
26. Jignasha Jay Kantawala;
27. Jinisha Pathik Shah;
28. Kalpana B Gandhi;
29. Ketki Ajay Desai;
30. Kinjal Pankil Dharia;
31. Kosha Samir Shaikh;
32. Kritika Gupta;
33. Kush Gupta;
34. Lina Suketu Parikh;
35. Mahesh Naranji Thakkar;
36. Mansi Jigar Shah;
37. Meghna B Gandhi;
38. Mira Ravitej Kapadia;
39. Naresh Mody;
40. Navnitlal Kodarlal Shah;
41. Neelam Aggarwal;
42. Nevaan Dhaval Parikh;
43. Nihir Nalin Parikh;
44. Nilesh Liladhar Shah;
45. Pallavi Bhupendra Doshi;
46. Parul Sanjiv Dharia;
47. Priana Pankil Dharia;
48. Priyal Suketu Parikh;
49. Pushpa Navinchandra Parikh;
50. Rachna Gupta;
51. Rajan Satishchandra Javeri;
52. Raksha Bhisham Gupta;
53. Riddhi Mihir Kapadia;
54. Rita Mukesh Gandhi;
55. Saloni Shivang Desai;
56. Sandhya Nishith Shah;
57. Sejal K. Parikh;
58. Sheetal Sandeep Parikh;
59. Shephali Natwarlal Parikh;
60. Shruti Sachin Parikh;

61. Shweta Rakesh Kadakia;
62. Smita Ashok Desai;
63. Smita Mahesh Thakkar;
64. Smita N Mody;
65. Sonal Nishith Dharia;
66. Suhagi Dhaval Parikh;
67. Sundeep Navinchandra Parikh;
68. Tanvi Gaurang Parikh;
69. Tiana Pankil Dharia;
70. Trupti Jiten Shah;
71. Tushar Natverlal Dharia;
72. Uma Rajan Javeri;
73. Usha Rajnikant Shah;
74. Veenu Rakesh Gupta;
75. Vijay Kumar Aggarwal; and
76. Yash Naresh Mody.

B. Entities who are a part of our Promoter Group

1. Aastha Investment Company;
2. ACP Technologies Private Limited;
3. Ajay P Desai and Ketki A Desai Joint Revocable Living Trust;
4. Ambassador Rentals;
5. Anil Electric Company;
6. Anil Rental Solutions;
7. Apex Computers & Peripherals;
8. Ashish V Gandhi HUF;
9. Asit Rasiklal Dharia HUF;
10. Bharat Raichand Shah Charitable Trust;
11. Bipin G Gandhi HUF;
12. Boundless Borders LLP;
13. D & G Masala Kraft;
14. Deepak Electric Corp;
15. Deepak Electric Corporation Charitable Trust;
16. Deepak Navnitlal Parikh HUF;
17. Design 19;
18. Dev Enterprise LLC;
19. Dev Hotel LLC;
20. Dev Management LLC;
21. Dhaval Parikh HUF;
22. Dipnal Valve & Tubestos Co.;
23. Doshi and Shah Foundation;
24. Dream Hospitality LLC.;
25. Elpro Agencies;
26. Food and Beyond Hospitality LLP;
27. Gaurang Natwarlal Parikh HUF;
28. H and J Parikh Revocable Living Trust;
29. H and K Kadakia Family Trust;
30. Heat Fabs;
31. Heatreaters & Engineers;
32. Helthkom Healthcare Communication;
33. Himanshu and Jayshree Parikh Charitable Foundation;
34. Hindustan Tapex Company;
35. Hyuga Ecommerce Ventures Private Limited;
36. Jatin Narendra Parikh HUF;
37. Ketan S Parikh HUF;
38. Kinjin Food Private Limited;
39. Mahesh Naranji Thakkar HUF;

40. Maxima FRP Product;
41. Mukesh H Gandhi HUF;
42. Narendra & Co;
43. Naresh Mody HUF;
44. Natwarlal Chandulal Parikh HUF;
45. Navinchandra C Parikh HUF;
46. Neesan Ventures Private Limited;
47. Nihir Parikh HUF;
48. Nilesh L Shah HUF;
49. Nishit Electric Corporation;
50. Nishith Rajnikant Shah HUF;
51. Nishith Rasiklal Dharia HUF;
52. NP Electricals;
53. Pankil Dharia HUF;
54. Pathik Shrikant Shah HUF;
55. Pratech Brands Private Limited;
56. Raichand Korshi Shah Charitable Trust;
57. Rajnikant Chimanlal Shah Charitable Trust;
58. Rasiklal C Dharia HUF;
59. S N Hirers;
60. S Zhaveri Pharmakem Private Limited;
61. Sandeep N Parikh HUF;
62. Sanjiv K Dharia HUF;
63. Sentinel Electric Co;
64. Shilpa N Shah Public Charitable Trust;
65. Shivang Arjun Desai HUF;
66. Shri Ashish Sharadkumar Mehta Charitable Trust;
67. Shri Korshi Hirji Shah Charitable Trust;
68. Smt. Deshribai Korshi Hirji Shah Charitable Trust;
69. Sonal Dharia Family Trust;
70. Stella Exim PTY Ltd;
71. Suketu N Parikh HUF;
72. Sundeep Parikh Family Trust;
73. Swastik Engg. & Valves Mfg.;
74. The Modi Family Trust;
75. Tushar Natverlal Dharia HUF;
76. Voltamp System;
77. Water Inc.;
78. Wiyo Travel; and
79. Yash Rentals.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the Draft Red Herring Prospectus, as covered under applicable accounting standards (i.e., Ind AS 24 issued by the Institute of Chartered Accountants of India), and (ii) any other companies considered "material" by the Board.

Accordingly, for (i) above, all such companies with which the Company had related party transactions during the period covered in the Restated Financial Information included in the offer document, as covered under the applicable accounting standards, shall be considered as ‘group companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Information included in the offer document) shall be considered “material” and will be disclosed as a ‘group company’ in the Draft Red Herring Prospectus, if it is a member of the Promoter Group (companies) (other than the Promoters, in case the Promoters are companies) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last completed fiscal year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed fiscal year and the relevant stub period, as applicable, as per the Restated Financial Information.

Accordingly, in terms of the Materiality Policy, the Board has identified Friends Fab Form Private Limited as our Group Company.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from its audited financial statements (as applicable) is available at the website indicated below.

Our Company is providing a link to such website solely to comply with the requirements specified under the SEBI ICDR Regulation.

Details of our Group Company

Friends Fab Form Private Limited

Registered Office

The registered office of Friends Fab Form Private Limited is located at Plot No. 8, Phase-I, M.I.D.C., Dombivli (East), Dombivli, Maharashtra - 421203, India

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available on a standalone basis of Friends Fab Form Private Limited for the Fiscals 2021, 2020 and 2019, are available at www.prasolchem.com/investor-relations/.

Litigation which has a material impact on our Company

There is no pending litigation involving our Group Company which will have a material impact on our Company.

Nature and extent of interest of Group Company

Our Group Company does not have any interest in the promotion of our Company

Our Group Company is not interested in the properties acquired by our Company in the three preceding years before the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Except as stated in the "*Restated Financial Information - Related Party Relationships, Transactions and Balances*" on page 323, our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits

There are no common pursuits amongst our Group Company and our Company.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Financial Information*" and "*Related Party Transaction*" on pages 244 and 334, respectively, there are no other business transactions between our Company and Group Company which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in "*Related Party Transactions*" on page 334, our Group Company does not have any business interest in our Company.

Other Confirmations

Our Group Company does not have any securities listed on any stock exchange. Further, our Group Company has not made any public or rights issue of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends is 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 and the Companies (Declaration and Payment of Dividends) Rules, 2014.

According to the dividend distribution policy adopted by our Board on February 24, 2022, the quantum of dividend to be distributed, if any, will depend on a number of internal and external factors, including but not limited to internal factors such as net profit after tax of the Company, operating cash flow of our Company for the year, funds required in case of acquisitions, merger etc., working capital and loan repayment requirements and external factors such as regulatory restrictions and changes in accounting policy and taxation, macro-economic environment and dividend pay-out ratios of the companies in the same industries, among others. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance the fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 349.

The details of dividend on Equity Shares declared and paid by our Company in the last three Fiscal Years, and until the date of this Draft Red Herring Prospectus are given below:

Particulars	From January 1, 2022 till the date of this Draft Red Herring Prospectus	For the nine months period ended December 31, 2021	For the fiscal year ended		
			March 31, 2021	March 31, 2020	March 31, 2019
No. of Equity Shares	5,80,00,000	1,45,00,000	29,00,000	29,00,000	29,00,000
Face value per Equity Share (in ₹)	2	2	10	10	10
Total dividend paid (in ₹ million)	NIL	4.35	4.35	8.70	4.34
Dividend per share (in ₹)	NIL	1.5	1.5	3	1.5
Rate of dividend (%)	NIL	15%	15%	30%	15%
Dividend Distribution Tax (in ₹ million)	NIL	NIL	NIL	2.02	0.89
Dividend distribution tax (% of dividend)	NIL	NIL	NIL	23.23%	20.60%
Mode of payment of dividend	NA	NEFT / RTGS / Bank Transfer	NEFT / RTGS / Bank Transfer	NEFT / RTGS / Bank Transfer	NEFT / RTGS / Bank Transfer

The amount of dividend paid in the 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 not be decreased in the future. For details, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, ash flows and capital requirements*" on page 48.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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C N K & Associates LLP
Chartered Accountants
501, Narain Chambers,
M.G road, Vile Parle East,
Mumbai, 400 057

S. V. Shanbhag & Co
Chartered Accountants
122/124/125, Vardhaman Market,
Plot no-75, Sector 17, Opp. Andhra Bank,
Vashi, Navi Mumbai- 400703

INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors
Prasol Chemicals Limited
(Formerly known as Prasol Chemicals Private Limited)
Prasol House, Plot No. A - 17/2/3,
T. T. C. Industrial Area Khairane,
M. I. D. C. Thane Belapur Road,
Navi Mumbai- 400 710,
Maharashtra, India

Dear Sirs,

1. We, C N K & Associates LLP ("CNK") and S V Shanbhag & Co ("SVS") ("CNK" and "SVS" together referred to as "Joint Auditors", and "SVS" referred to as "one of the joint Auditors") have examined the Restated Financial Information of **Prasol Chemicals Limited** (Formerly known as Prasol Chemicals Private Limited) (the '**Company**' or '**Issuer**'), comprising the Special Purpose Ind AS Balance Sheet as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Special Purpose Ind AS Statement of Profit and Loss (including other comprehensive income), the Special Purpose Ind AS Statement of Changes in Equity and the Special Purpose Ind AS Statement of Cash Flows for the nine months period ended December 31, 2021 and years ended March 31, 2021, March 31,2020 and March 31, 2019 and the Summary Statement of Significant Accounting Policies, and other explanatory information, as approved by the Board of Directors of the Company at their meeting held on February 24, 2022 and annexed to this Report 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 ('SEBI 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').

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited and BSE Limited (collectively, the 'Stock Exchanges') in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company as stated in note 2 to the Restated Financial Information. The responsibility of the Board of Directors includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Information The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

3. We have examined the aforesaid Restated Financial Information taking into consideration:
   a. The terms of reference and terms of our engagement agreed upon with you in accordance with Engagement Letter dated February 5, 2022 in connection with the proposed IPO of equity shares of the Issuer

   b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concept of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d. The requirements of section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:
   a. Special Purpose Interim Ind AS Financial Statements of the Company as at and for the nine months period ended December 31, 2021 prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS", and other accounting principles generally accepted in India. These Special Purpose Interim Ind AS Financial Statements have been approved by the Board of Directors at their meeting held on February 24, 2022

   b. Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31, 2021, 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. These Special Purpose Ind AS Financial Statements for the year ended March 31, 2021 have been approved by the Board of Directors at their meeting held on February 24, 2022

   c. Special Purpose Ind AS Financial Statements of the Company as at and for the years ended March 31, 2020 and March 31, 2019 prepared in accordance with Ind 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. These Special Purpose Ind AS Financial Statements for the year ended March 31, 2020 and March 31, 2019 have been approved by the Board of Directors at their meeting held on February 24, 2022.

5. For the purpose of our examination, we have relied on:
   a. Auditors' report dated February 24, 2022 issued by Joint Auditors on the Special Purpose Interim Ind AS Financial Statements of the Company as at and for the nine months period ended December 31,2021, as referred in Paragraph 4a above; and

   b. Auditors' reports issued by C N K dated February 24, 2022 on the Special Purpose Ind AS Financial Statements of the Company as at and for the year ended March 31,2021, as referred in Paragraph 4b above; and

   c. Auditors' Report dated February 24, 2022 issued by SVS on the Special Purpose Ind AS Financial Statements of the Company as at and for the years ended March 31, 2020 and March 31, 2019, respectively, as referred in Paragraph 4c above.

6. Based on our examination and according to the information and explanations given to us for the respective years, we report that:
   a. the Restated Financial Information has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended December 31, 2021.

   b. There are no qualifications in the auditor's reports which require any adjustments to the Restated Financial Information; and

   c. the Restated Financial Information has been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note

7. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements, as mentioned in paragraph 4 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the audit reports issued by us individually or jointly nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, National Stock Exchange of India Limited and BSE Limited, as applicable 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 towards any other person relying on the same.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Sd/-

Himanshu Kishnadwala
Partner
Membership Number: 037391
UDIN:22037391ADMUUN5856
Place: Navi Mumbai
Date: February 24, 2022

For **S.V.Shanbhag & Co.**
Chartered Accountants
Firm Registration No.: 109887W

Sd/-

Satish V Shanbhag
Partner
Membership Number:036889
UDIN:22036889ADNXYK4112
Place: Navi Mumbai
Date: February 24, 2022

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Restated Balance Sheet

(₹ in millions,unless otherwise stated)

Particulars	Note No.	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I. ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	3	2,569.20	2,651.36	1,680.98	1,260.21
(b) Capital work-in-progress	3	396.54	201.90	826.67	759.88
(c) Other Intangible assets	4	1.01	2.87	5.51	6.00
(d) Loans and Advances	5	18.44	18.36	18.02	17.99
(e) Other non-current assets	6	13.46	23.46	22.21	45.43
Total non-current assets		**2,998.65**	**2,897.95**	**2,553.39**	**2,089.51**
Current Assets					
(a) Inventories	7	1,097.25	810.75	585.33	678.46
(b) Financial Assets					
(i) Trade receivables	8	1,470.93	1,458.58	1,129.47	1,057.12
(ii) Cash and cash equivalents	9	107.82	63.63	131.55	121.67
(iii) Bank Balances other than (ii) above	10	2.39	2.30	2.11	1.53
(iv) Loans and Advances	11	4.29	5.65	3.99	3.06
(vi) Other Financial Assets	12	1.04	-	-	-
(c) Other current assets	13	85.15	220.11	191.53	169.37
(d) Current Tax Assets (Net)	14	43.93	38.24	39.06	-
Total current assets		**2,812.80**	**2,599.26**	**2,083.04**	**2,031.21**
TOTAL ASSETS		**5,811.45**	**5,497.22**	**4,636.43**	**4,120.72**
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	15	29.00	29.00	29.00	29.00
(b) Other Equity	16	2,266.19	1,773.14	1,524.93	1,158.54
Total Equity		**2,295.19**	**1,802.14**	**1,553.93**	**1,187.54**
Liabilities					
(2) Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	17	508.31	587.98	904.68	952.08
(b) Deferred tax liabilities (net)	18	202.95	180.72	143.59	160.88
(c) Provisions	19	5.94	4.87	7.33	4.72
Total non current liabilities		**717.20**	**773.57**	**1,055.60**	**1,117.68**
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	20	819.41	771.95	203.93	353.49
(ii) Trade payables	21				
(A) total outstanding dues of MSME; and		31.01	38.29	-	-
(B) total outstanding dues of creditors other than MSME		1,388.14	1,527.88	1,289.90	1,101.18
(iii) Other financial liabilities	22	299.81	337.93	373.23	179.82
(b) Other current liabilities	23	193.48	213.17	139.65	162.99
(c) Provisions	24	46.67	32.29	20.19	18.02
(d) Current Tax Liabilities (Net)	25	20.54	-	-	-
Total Current liabilities		**2,799.06**	**2,921.51**	**2,026.90**	**1,815.50**
Total liabilities		**3,516.26**	**3,695.08**	**3,082.50**	**2,933.18**
TOTAL EQUITY AND LIABILITIES		**5,811.45**	**5,497.22**	**4,636.43**	**4,120.72**
Significant Accounting Policies	1 & 2				

See accompanying Notes from 3 to 48 forming part of the Restated Financial Information

As per our attached report of even date

For and on behalf of the Board of Directors of

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Prasol Chemicals Limited
(formerly known as Prasol Chemicals Private Limited)
CIN No.U99999MH1992PLC065026

Sd/-
Himanshu Kishnadwala
Partner
Membership Number: 037391

Sd/-
Nishith R. Shah
Executive Chairman
DIN:00381267

Sd/-
Gaurang N. Parikh
Managing Director
DIN:00190701

For S.V.Shanbhag & Co.
Chartered Accountants
Firm Registration No.: 109887W

Sd/-
Satish V Shanbhag
Partner
Membership Number:036889
Place: Navi Mumbai
Date: 24 Feb 2022

Sd/-
Hitesh Sheth
Chief Financial Officer

Sd/-
Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: 24 Feb 2022

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Restated Statement of Profit and Loss

(₹ in millions,unless otherwise stated)

Particulars	Note No.	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I. Revenue from Operations	26	6,269.32	5,955.40	5,312.40	4,983.00
II. Other income	27	52.53	65.96	34.75	5.74
III. Total Income		**6,321.85**	**6,021.36**	**5,347.15**	**4,988.74**
IV. Expenses					
Cost of materials consumed	28	3,231.46	3,513.50	2,475.50	2,761.46
Purchase of stock-in-trade	29	1,066.45	1,082.43	1,134.98	1,184.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(82.48)	(217.18)	117.41	(207.71)
Employee Benefits Expenses	31	209.77	188.65	217.85	158.84
Finance costs	32	95.00	116.88	86.35	56.32
Depreciation and Amortization Expenses	33	129.06	126.95	104.04	78.51
Other Expenses	34	1,000.28	872.23	772.34	574.40
Total Expenses (IV)		**5,649.54**	**5,683.46**	**4,908.47**	**4,606.59**
V. Profit before Tax		**672.31**	**337.90**	**438.68**	**382.15**
VI. Tax expense:					
1. Current Tax		151.77	50.50	78.00	119.35
2. Deferred Tax		23.43	36.56	(17.06)	25.60
3. Adjustment of Tax for earlier years		(3.85)	-		-
VII. Profit/ (Loss) for the year		**500.96**	**250.84**	**377.74**	**237.20**
VIII. Other comprehensive income					
A. (i) Items that will not be reclassified to profit or loss		4.77	(2.27)	0.89	0.23
B. (i) Income tax related to items that will not be reclassified to profit or loss		(1.20)	0.57	(0.22)	(0.08)
IX. Total comprehensive income for the period Comprising Profit (Loss) and Other comprehensive Income for the period)		**497.39**	**252.54**	**377.07**	**237.05**
X. Earning per equity share (for discontinued & continuing operation)					
1. Basic in ₹	40	34.55	17.30	26.05	16.36
2. Diluted in ₹		34.55	17.30	26.05	16.36
Significant Accounting Policies	1 & 2				

See accompanying Notes from 3 to 48 forming part of the Restated Financial Information

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
(formerly known as Prasol Chemicals Private Limited)
CIN No.U99999MH1992PLC065026

Sd/-
Himanshu Kishnadwala
Partner
Membership Number: 037391

Sd/-
Nishith R. Shah
Executive Chairman
DIN:00381267

Sd/-
Gaurang N. Parikh
Managing Director
DIN:00190701

For S.V.Shanbhag & Co.
Chartered Accountants
Firm Registration No.: 109887W

Sd/-
Satish V Shanbhag
Partner
Membership Number:036889
Place: Navi Mumbai
Date: 24 Feb 2022

Sd/-
Hitesh Sheth
Chief Financial Officer

Sd/-
Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: 24 Feb 2022

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Restated Statement of Cash flow

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	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				
Net Profit before tax	**667.54**	**340.17**	**438.68**	**382.15**
Adjustments for :				
Depreciation/ Amortisation	129.06	126.95	104.04	78.51
Loss on Sale of Fixed Assets	1.68	-	-	0.08
Interest income	(0.20)	(0.98)	(1.29)	(1.96)
Finance Cost	84.62	105.21	76.71	46.42
Remeasurement of net defined benefit plans	3.73	0.52	0.24	(0.33)
Net (gain) / loss on foreign exchange fluctuation	(47.66)	(58.59)	-	-
Sundry Balances Written Back	(3.81)	(1.27)	4.50	4.15
Provision for Doubtful Debts	(0.59)	1.88	-	-
Total Adjustments	**166.83**	**173.72**	**184.20**	**126.87**
Operating profit before working capital changes	**834.37**	**513.89**	**622.88**	**509.02**
Changes in working capital:				
Adjustment for (increase)/decrease in operating assets				
(Increase)/ Decrease in trade receivables and Other receivables	(12.94)	(327.23)	(72.11)	8.29
(Increase)/ Decrease in inventories	(286.50)	(225.42)	93.12	(213.57)
(Increase)/ Decrease in other non current financial assets	-	-	(39.99)	(8.07)
(Increase)/ Decrease in other current financial assets	145.18	(31.20)	18.21	(40.84)
Adjustment for increase/(decrease) in operating liabilities				
Increase/ (Decrease) in trade payables	(147.28)	277.22	184.38	261.93
Increase/ (Decrease) in other Financial liabilities	(38.11)	(35.30)	188.43	64.19
Increase/ (Decrease) in other current liabilities	(19.69)	73.52	(23.35)	36.79
Increase/ (Decrease) in other provisions	(35.99)	9.64	4.77	3.16
Cash generated from operations	**439.04**	**255.13**	**976.34**	**620.90**
Income taxes refunded / (paid), net	(134.20)	(53.83)	(117.49)	(92.75)
Net cash generated from operating activities	**304.84**	**201.30**	**858.85**	**528.15**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(251.74)	(471.81)	(591.32)	(959.90)
Proceeds from sale of property, plant and equipment	-	1.27	0.20	0.04
Interest received	0.20	0.98	1.29	1.96
Capital Advance		-	23.22	(7.86)
Net cash (used in) / generated from investing activities	**(251.54)**	**(469.56)**	**(566.61)**	**(965.76)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term loans	32.20	251.31	(196.95)	572.11
Finance costs paid	(84.62)	(105.21)	(76.71)	(46.42)
Derivatives	-	-	-	-
Dividend paid	(4.35)	(4.35)	(8.70)	(4.34)
Net cash used in financing activities	**(56.77)**	**141.75**	**(282.36)**	**521.35**
D. Exchange Rate Difference	47.66	58.59	-	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**44.19**	**(67.92)**	**9.88**	**83.74**
Cash and cash equivalents at the beginning of the year	63.63	131.55	121.67	37.93
Cash and cash equivalents at the end of the year [Refer Note 9]	**107.82**	**63.63**	**131.55**	**121.67**

Notes to the Restated Statement of Cash Flow and disclosure of non cash transactions

1) The Restated Statement of Cash Flow is prepared in accordance with the format prescribed as per Ind-AS 7.

2) In Part-A of the Restated Statement of Cash Flow, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership Number: 037391

For S.V.Shanbhag & Co.
Chartered Accountants
Firm Registration No.: 109887W

Sd/-
Satish V Shanbhag
Partner
Membership Number:036889
Place: Navi Mumbai
Date: 24 Feb 2022

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
(formerly known as Prasol Chemicals Private Limited)
CIN No.U99999MH1992PLC065026

Sd/-
Nishith R. Shah
Executive Chairman
DIN:00381267

Sd/-
Gaurang N. Parikh
Managing Director
DIN:00190701

Sd/-
Hitesh Sheth
Chief Financial Officer

Sd/-
Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: 24 Feb 2022

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Restated Statement of Change in Equity

A. Number of shares for the period year ended :

(₹ in millions,unless otherwise stated)

Particulars	As at December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Numbers of shares	Amount	Numbers of shares	Amount	Numbers of shares	Amount	Numbers of shares	Amount
Balance at the beginning for the period/year	29,00,000	29.00	29,00,000	29.00	29,00,000	29.00	29,00,000	29.00
Add: Increase in shares on account of subdivision	1,16,00,000	-	-	-	-	-	-	-
Balance at the closing for the period/year	1,45,00,000	29.00	29,00,000	29.00	29,00,000	29.00	29,00,000	29.00
Equity Shares of ₹ 2 each fully Paid Up								

B. Other Equity

(₹ in millions,unless otherwise stated)

Particular	Other component of Equity				
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance as on April 1, 2018	7.62	11.26	48.00	859.86	**926.74**
Ind AS Adjustments	-	-	-	(0.23)	(0.23)
Dividends	-	-	-	(5.25)	(5.25)
Transfer to retained earnings	-	-	-	237.27	237.27
Balance as on March 31, 2019	**7.62**	**11.26**	**48.00**	**1,091.66**	**1,158.54**
Ind AS Adjustments	-	-	-	(5.18)	(5.18)
Dividends	-	-	-	(10.72)	(10.72)
Transfer to retained earnings	-	-	-	382.29	382.29
Balance as on March 31, 2020	**7.62**	**11.26**	**48.00**	**1,458.05**	**1,524.93**
Ind AS Adjustments	-	-	-	4.01	4.01
Dividends	-	-	-	(4.35)	(4.35)
Transfer to retained earnings	-	-	-	248.55	248.55
Balance as on March 31, 2021	**7.62**	**11.26**	**48.00**	**1,706.26**	**1,773.14**
Total Comprehensive Income for the current year	-	-	-	(3.56)	(3.56)
Dividends	-	-	-	(4.35)	(4.35)
Transfer to retained earnings	-	-	-	500.96	500.96
Balance as on December 31, 2021	**7.62**	**11.26**	**48.00**	**2,199.31**	**2,266.19**

Refer Note 16 for nature and purpose of reserves

See accompanying Notes from 3 to 48 forming part of the Restated Financial Information

As per our attached report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership Number: 037391

For S.V.Shanbhag & Co.
Chartered Accountants
Firm Registration No.: 109887W

Sd/-
Satish V Shanbhag
Partner
Membership Number:036889
Place: Navi Mumbai
Date: 24 Feb 2022

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
(formerly known as Prasol Chemicals Private Limited)
CIN No.U99999MH1992PLC065026

Sd/-
Nishith R. Shah
Executive Chairman
DIN:00381267

Sd/-
Gaurang N. Parikh
Managing Director
DIN:00190701

Sd/-
Hitesh Sheth
Chief Financial Officer

Sd/-
Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: 24 Feb 2022

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Statement of Reconciliation between Indian GAAP and Restated Financial Information

Summarised below are the restatement adjustments made to the profit after tax of the Special Purpose Ind AS Audited Financial Statements of the company for the Nine months period ended December 31, 2021 and year ended March 31, 2021, March 31, 2020 and March 31, 2019 and their consequential impact on the profit/ (loss) of the Company.

(A) Reconciliations of total comprehensive income is summarized as follows:

(₹ in millions,unless otherwise stated)

Particulars	Notes	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Profit after tax as reported under previous GAAP		501.66	248.55	382.29	237.28
Amortization of Non-Financial Assets	33	1.55	0.62	0.62	0.62
Actuarial Valuation impact on employee benefits	31	-	0.52	0.24	(0.33)
Loss on account of Forward cover	27 and 34	(0.85)	4.13	4.98	-
Allowance for expected credit loss	34	-	(0.09)	0.20	(0.16)
Deferred tax Adjustments for above items		-	0.77	(1.52)	(0.04)
Profit after tax as reported under Special Purpose Ind AS Financial Statements		500.96	250.84	377.73	237.20
Other comprehensive income (including deferred tax impact thereon)		3.57	(1.70)	0.66	0.15
Total other comprehensive income		497.39	252.54	377.07	237.05
		-	-	-	-
Total other comprehensive income under Special Purpose Ind AS Financial Statements		497.39	252.54	377.07	237.05

Summarised below are the restatement adjustments made to the equity of the Special Purpose Ind AS Financial Statements of the company for the nine months period/year ended December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and their consequential impact on the equity of the Company:

(B) Reconciliation of total equity as reported under previous GAAP is summarized as follows:

(₹ in millions,unless otherwise stated)

Particulars	Notes	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Equity as reported under previous GAAP	15 & 16	2,297.37	1,807.95	1,563.75	1,192.18
Prior period expenses		(1.39)	(9.82)	(4.64)	(4.41)
Impact of measuring investments at fair value and Other Income		2.72	(4.13)	4.98	-
Property, Plant and Equipment	3	1.55	0.62	0.62	0.62
Allowance for Expected credit loss	8	-	(0.09)	0.20	(0.16)
Employee benefits	19 &24	(3.57)	(1.18)	1.13	(0.11)
Deferred tax Adjustments for above items		-	0.78	(1.74)	(0.12)
Equity as reported under Speical Purpose Ind AS Financial Statements		2,295.19	1,802.14	1,553.93	1,187.54

PRASOL CHEMICALS LIMITED *(formerly known as Prasol Chemicals Private Limited)*

Significant Accounting Policies and explanatory Notes to Restated Financial Information

1. Corporate Information

Prasol Chemicals Limited ("PCL" or "the Company") is a limited company incorporated in India. It was originally incorporated as Prachi Poly Products Private Limited on January 24, 1992. It was converted to Prachi Poly Products Limited on January 10, 1995. The name then changed to Prasol Chemicals Limited on March 26, 2007. Later, on June 05, 2017, the name was changed to Prasol Chemicals Private Limited and changed again to Prasol Chemicals Limited with effect from February 04, 2022.

The registered office is located at Prasol House, Plot No. A - 17/2/3, T. T. C. Industrial Area, Khairane M.I.D.C., Navi Mumbai, Thane 400710, Maharashtra, India.

The Company is engaged in the Business of Manufacturing and Trading of Speciality Chemicals. The Company's operations are out of its plants located at Khopoli and Mahad in the state of Maharashtra, India.

2. Significant Accounting Policies

2.0 Basis of Preparation:

The Restated Financial Information of the Company comprise of the Special Purpose Ind AS Balance Sheet as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the related Special Purpose Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Ind AS Statement of Cash Flows and the Special Purpose Ind AS Statement of Changes in Equity for the period/year ended December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, and the Significant Accounting Policies and explanatory notes (hereinafter collectively referred to as the 'Restated Financial Information').

The Restated Financial Information has been prepared by the Management of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of ₹ 2 each of the Company comprising a fresh issue of equity shares (the "Offer"), prepared by the Company 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 from time to time; and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The Restated Financial Information has been compiled from:

a) The Special Purpose Interim Ind AS Financial Statements of the Company as at and for the period ended December 31, 2021 prepared in accordance with Ind AS 34 'Interim Financial Reporting', as issued under the Companies (Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act (the 'Interim Financial Statements') and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on February 24, 2022.

b) The Special Purpose Ind AS Financial Statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Indian Accounting Standards (Ind 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 February 24, 2022.

Special Purpose Ind AS Financial Statements of the Company as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Amendment Rules, 2016 and paragraph 7 of Companies (Accounts) Rules, 2014 respectively (Indian GAAP), and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on July 12, 2021, October 17, 2020 and September 21, 2019, respectively. The Special Purpose Ind AS Financial Statements have been prepared by the management of the company after giving effect to the recognition and measurement principles of the Indian Accounting Standards ("Ind AS) prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards), Rules 2015 as amended, and has used such reclassified financial information as comparative information in the audited Financial statements for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 . The said financials after above adjustment are individually referred to as Special Purpose Ind AS Financial Statements.

The Special Purpose Ind AS Financial Statements of the Company for the year ended March 31, 2019 have been prepared by the management of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder after giving effect to the exemptions and exceptions availed as per Ind AS 101 First Time adoption of Indian Accounting Standards as initially adopted on the transition date i.e., April 01, 2018.

Significant Accounting Policies and explanatory Notes to Restated Financial Information

The Restated Financial Information has been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Financial Information except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires change in accounting policy hitherto in use. This Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Restated financial Information mentioned above.

Authorization of Restated Financial Information:

The Restated Financial Information were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on February 24, 2022.

Historical cost convention

The Restated Financial Information have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans where plan assets are measured at fair value.

Use of Estimates

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

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

Critical estimates and judgements

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Restated Financial Information.

- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets -Refer Note 2.2 and Notes 3 & 4;
- Valuation of Inventories-Refer Notes 2.6 and 7;

- Measurement of Defined Benefit Obligations and actuarial assumptions-Refer Note 41;
- Estimation of current tax expenses and deferred tax - refer Note 39; and
- Contingencies-refer Note 35.

2.1 Current versus non-current classification

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

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

2.2 Property, Plant and Equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment (PPE) are stated at cost, less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items such as stores, spare parts and standby equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

On adoption to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at April 01,2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

When significant parts of PPE are required to be replaced at intervals, company depreciates them separately based on their specific useful lives.

Derecognition

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

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and changes if any are accounted in line with revisions to accounting estimates.

2.3 Capital Work in Progress

Capital work in progress is stated at cost, net of impairment losses, if any. Cost comprises of the cost of items of PPE not yet commissioned, incidental pre-operative expenses and borrowing costs.

Depreciation

Depreciation on PPE is provided as per straight line method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Depreciation on additions/deductions to PPE made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

2.4 Intangible Assets

Intangible asset includes Computer Software is carried at cost, net of accumulated amortization and accumulated impairment losses, if any.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its intangible assets as recognised in the Special Purpose Ind AS Financial Statements as at the date of adoption to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of adoption i.e. April 01, 2018.

Amortisation

Computer Software is amortised over a period of 5 years on Straight Line Method. The amortization method and estimated useful lives are reviewed at the end of each reporting period and changes if any are accounted in line with revisions to accounting estimates.

An Intangible Asset is derecognized upon its disposal or when no future economic benefits are expected from its continued use. Any gain or loss arising on de-recognition of the Intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Statement of Profit & Loss when the asset is derecognized.

2.5 Impairment of Non-Financial Assets

Non-financial assets other than inventories and deferred tax assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the Assets or Cash-Generating Units (CGU's) (i) fair value less costs of disposal and (ii) its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In such cases, the Recoverable amount is determined for the Cash Generating Unit (CGU) to which the assets belong.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Reversal of Impairment of assets

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Restated Statement of Profit and Loss under the head 'Other expenses'.

2.6 Inventories

Cost includes all charges in bringing the inventories to their present location and condition, including octroi and other levies, transit insurance and receiving charges and excluding rebates and Discounts, if any. Net Realizable Value is the estimated selling price in the ordinary course of business.

Inventories other than Scrap are valued at lower of cost and net realizable Value.

2.7 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(A) Lease Liability
At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets
Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability
Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets
Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or Changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the Recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term lease:
Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those

leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

The Company amortizes cost of the underlying asset over the contractual lease period.

2.8 Revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

The specific recognition criteria described below are also to be met before revenue is recognized.

Revenue is measured based on the transaction price as specified in the contract with the customer. In determining the transaction price, the Company considers below, if any:

Variable consideration

This includes bonus, incentives, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract modifications

These are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the goods or services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Goods or services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

2.8.1 Sale of Goods

Customers obtain control of the goods when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 60- 90 days. Sale of goods is net of returns, allowances, trade discounts, cash discounts and volume rebates. Export sales are recognized on the issuance of Bill of Lading/ Airway bill by the carrier.

2.8.2 Income from Export incentives

Income from export incentives such as duty drawback are recorded on accrual basis in accordance with the terms of the respective schemes. Policy for other export benefits is as stated in Note 2.11 below relating to government grants.

2.8.3 Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

2.8.4 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.8.5 Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

2.9 Foreign Currency Transactions

Monetary Items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Restated Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation.

Non – Monetary items

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

2.10 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The expenses relating to a provision is presented in the Restated Statement of Profit and Loss net of reimbursements, if any.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liability is disclosed in the Notes to the Restated Financial Information.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Contingent liabilities and Capital Commitments are disclosed in Notes 35 and 36 of the Restated Financial Information respectively.

2.11 Government Grants

Government grants are recognized 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 recognized in Statement of Profit and Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants relating to Property, Plant & Equipments are presented as deferred income and are credited to the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

The export incentives received by the Company such as Duty Draw back, Merchandise Export from India Scheme (MEIS) and Remission of Duties and Taxes on Export Products (RoDTEP) scheme are treated as government grants.

2.12 Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

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

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

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

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

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.13 Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Debt instruments at amortised cost

Debt instruments such as trade and other receivables, security deposits and loans given are measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statements of profit or loss. The losses arising from impairment are recognised in the statements of profit or loss.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at fair value through other comprehensive income (FVTOCI).

In case of other assets (listed as above), the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

2.14 Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

Financial Liabilities at amortised cost

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Restated Statement of Profit and Loss.

Derecognition

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

2.15 Derivative financial instruments

The Company uses derivative financial instruments to manage exposure on account of fluctuation in interest rate and foreign exchange rates on amounts payable and receivable in foreign exchange. Such derivative financial instruments are not recognized in the financial statements. However, the difference between the rate at the end of the year to which the Restated Financial Information relate to and the rate at the time of maturity of the contract is recognized in Restated Statement of Profit and Loss.

Any gains or losses arising from changes in the fair value of derivatives are taken through Restated Statement of Profit and Loss.

2.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counterparty.

2.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs.

The borrowings are removed from the Balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability of at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

2.18 Borrowing Cost

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

2.19 Employee benefits:

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, and performance incentives.

Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

Post - employment benefits

The Company (employer) and the employees contribute a specified percentage of eligible employees' salary to the established provident fund. The Company is generally liable for annual contributions and any shortfall in the fund assets based on government specified minimum rates of return, and recognises such provident fund liability, considering fund as the defined benefit plan, based on an independent actuarial valuation carried out at every statutory year end using the Projected Unit Credit Method.

Provision for gratuity for the staff is made on the basis of actuarial valuation and is charged to the Restated Statement of Profit and Loss.

Contribution to defined contribution retirement benefit schemes are recognised as expense in the Restated Statement of Profit and Loss, when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in Other Comprehensive Income, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and is otherwise amortised on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation and is adjusted both for unrecognised past service cost, and for the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme, if lower.

Other long - term employment benefits

Liability towards other long term employee benefits such as leave encashment is determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Restated Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Restated Statement of Profit and Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Restated Statement of Profit and Loss. Re-measurements are recognized in the Restated Statement of Profit and Loss.

2.20 Taxes on Income

Current and Deferred Tax

Current tax is the amount of tax payable determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the Restated Statement of Profit and Loss.

2.21 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.22 Cash and Cash equivalents

For the purpose of presentation in Restated Statement of Cash Flow, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank Overdrafts are shown within borrowings in current liabilities in Balance sheet.

2.23 Cash Flow Statement

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

2.24 Segment Reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director or the Whole Time Director in deciding how to allocate resources and in assessing performance. Operating segments are reported in consistent manner with the internal reporting provided to the Managing Director or the Whole Time Director of the Company. They are responsible for allocating resources and assessing performance of the Company. The Company earns revenues and incurs expenses and its performance is evaluated based on a single operating segment of manufacturing and trading of speciality chemicals.

2.25 Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

3. Property, plant and equipment

(₹ in millions,unless otherwise stated)

Particulars	Freehold land	Leasehold land	Factory building	Other buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	ROU Assets	Total
Gross carrying value											
Deemed Cost as at April 1, 2018	**21.33**	**60.03**	**152.06**	**8.44**	**1,000.65**	**9.91**	**15.16**	**12.63**	**9.87**	**-**	**1,290.08**
Additions	117.92	2.50	10.09	-	231.82	0.83	2.03	13.39	1.23	-	379.80
Deletions	-	-	-	-	-	-	0.20	-	-	-	0.20
Ind AS adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**139.24**	**62.53**	**162.15**	**8.44**	**1,232.47**	**10.73**	**16.99**	**26.02**	**11.10**	**-**	**1,669.69**
Additions	-	-	19.73	16.90	472.40	5.48	-	1.62	2.35	-	518.48
Deletions	-	-	-	-	-	-	0.61	-	-	-	0.61
Ind AS adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**139.24**	**62.53**	**181.88**	**25.34**	**1,704.87**	**16.22**	**16.38**	**27.64**	**13.46**	**-**	**2,187.56**
Additions	-	-	334.21	6.06	706.07	4.42	-	40.32	6.07	-	1,097.15
Deletions	-	-	-	-	14.87	-	-	-	-	-	14.87
Ind AS adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**139.24**	**62.53**	**516.09**	**31.40**	**2,396.06**	**20.63**	**16.38**	**67.96**	**19.53**	**-**	**3,269.83**
Additions	3.74	19.80	-	-	13.66	0.02	-	0.64	0.99	4.50	43.35
Deletions	-	-	-	-	2.77	5.24	-	3.46	5.42	-	16.91
Ind AS adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	**142.98**	**82.33**	**516.09**	**31.40**	**2,406.94**	**15.41**	**16.38**	**65.14**	**15.10**	**4.50**	**3,296.27**
Accumulated Depreciation											
Deemed Cost as at April 1, 2018	**-**	**1.58**	**23.20**	**1.71**	**279.56**	**5.93**	**5.07**	**7.61**	**7.45**	**-**	**332.09**
Additions	-	0.50	3.92	0.13	66.70	0.62	1.89	1.88	1.21	-	76.85
Deletions	-	-	-	-	-	-	0.08	-	-	-	0.08
Ind AS adjustments	-	0.62	-	-	-	-	-	-	-	-	0.62
Balance as at March 31, 2019	**-**	**2.69**	**27.11**	**1.84**	**346.26**	**6.54**	**6.88**	**9.49**	**8.66**	**-**	**409.48**
Additions	-	-	5.38	0.14	84.82	0.86	1.90	2.20	1.11	-	96.43
Deletions	-	-	-	-	-	-	0.45	-	-	-	0.45
Ind AS adjustments	-	1.12	-	-	-	-	-	-	-	-	1.12
Balance as at March 31, 2020	**-**	**3.81**	**32.49**	**1.98**	**431.09**	**7.41**	**8.33**	**11.69**	**9.77**	**-**	**506.58**
Additions	-	-	8.23	0.40	102.10	1.22	1.88	3.60	1.00	-	118.43
Deletions	-	-	-	-	7.65	-	-	-	-	-	7.65
Ind AS adjustments	-	1.12	-	-	-	-	-	-	-	-	1.12
Balance as at March 31, 2021	**-**	**4.93**	**40.73**	**2.38**	**525.53**	**8.62**	**10.21**	**15.30**	**10.77**	**-**	**618.47**
Additions	-	0.38	12.31	0.37	98.37	1.10	1.42	5.84	2.49	-	122.28
Deletions	-	-	-	-	2.21	4.84	-	3.19	4.99	-	15.23
Ind AS adjustments	-	1.33	-	-	-	-	-	-	-	0.23	1.55
Balance as at December 31, 2021	**-**	**6.63**	**53.04**	**2.76**	**621.69**	**4.88**	**11.63**	**17.95**	**8.27**	**0.23**	**727.07**
Net Carrying amount											
Balance as at March 31, 2019	**139.24**	**59.84**	**135.04**	**6.60**	**886.21**	**4.19**	**10.11**	**16.53**	**2.44**	**-**	**1,260.21**
Balance as at March 31, 2020	**139.24**	**58.72**	**149.38**	**23.36**	**1,273.78**	**8.81**	**8.05**	**15.95**	**3.68**	**-**	**1,680.98**
Balance as at March 31, 2021	**139.24**	**57.60**	**475.36**	**29.02**	**1,870.53**	**12.01**	**6.17**	**52.67**	**8.76**	**-**	**2,651.36**
Balance as at December 31, 2021	**142.98**	**75.70**	**463.05**	**28.64**	**1,785.25**	**10.53**	**4.76**	**47.19**	**6.82**	**4.28**	**2,569.20**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(i) Leased Assets

The lease term in respect of assets acquired under finance leases is within the range of 95 to 99 years.

(ii) Assets given as security for borrowings

For Assets pledged as a security against borrowings, Refer notes 17,20 and 22

(iii) The Company has adopted previous GAAP figures as the deemed cost as per the exemption under Ind AS 101 . Accordingly the Company has set the Net block as per Previous GAAP as on 1st April, 2018 as the Gross Block under Ind AS

(iv) Borrowing costs capitalised during the period ended/year ended ₹ Nil (FY 2021: Nil , FY 1920 : Nil , FY 1819 : Nil)

(v) All title deeds of immovable property are in the name of the company for the period/year ended December 31,2021 , March 31, 2021, March 31 ,2020 , and March 31 ,2019.

(vi) The Company has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the

3. Capital work in progress

(₹ in millions,unless otherwise stated)

Particulars	Amount
Gross carrying value	
Deemed Cost as at April 1, 2018	186.58
Additions	573.30
Capitalised/Transfer	-
Balance as at March 31, 2019	**759.88**
Additions	141.41
Capitalised/Transfer	74.62
Balance as at March 31, 2020	**826.67**
Additions	2,234.30
Capitalised/Transfer	2,859.07
Balance as at March 31, 2021	**201.90**
Additions	206.72
Capitalised/Transfer	12.08
Balance as at December 31, 2021	**396.54**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(i) Borrowing costs capitalised during the period ended December 31, 2021: ₹ 0.97 Mn (year ended: FY 2021 : ₹ 21.40 Mn , FY 1920 : ₹ 14.40 Mn , FY 1819 : ₹ 50.30 Mn)

(ii) For Capital-work-in progress, following ageing Schedule:

For the period ended December 31,2021 (₹ in millions,unless otherwise stated)

Capital work in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total**
Projects in progress	294.17	101.82	0.55	-	396.54
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31,2021 (₹ in millions,unless otherwise stated)

Capital work in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total**
Projects in progress	96.52	97.74	7.64	-	201.90
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31,2020 (₹ in millions,unless otherwise stated)

Capital work in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total**
Projects in progress	513.24	313.43	-	-	826.67
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31,2019 (₹ in millions,unless otherwise stated)

Capital work in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	**Total**
Projects in progress	737.27	22.57	0.04	-	759.88
Projects temporarily suspended	-	-	-	-	-

(iii) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion Schedule:

For the period ended December 31,2021 (₹ in millions,unless otherwise stated)

CWIP	**To be completed in**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31,2021 (₹ in millions,unless otherwise stated)

CWIP	**To be completed in**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31,2020 (₹ in millions,unless otherwise stated)

CWIP	**To be completed in**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31,2019 (₹ in millions,unless otherwise stated)

CWIP	**To be completed in**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes to Restated Financial Information

4. Other Intangible assets

(₹ in millions,unless otherwise stated)

Particulars	Computer Software
Gross carrying value	
Deemed Cost as at April 1, 2018	1.92
Additions	6.80
Deletions	-
Balance as at March 31, 2019	**8.72**
Additions	1.70
Deletions	-
Balance as at March 31, 2020	**10.42**
Additions	0.05
Deletions	-
Balance as at March 31, 2021	**10.47**
Additions	-
Deletions	-
Balance as at December 31, 2021	**10.47**
Accumulated Depreciation	
Deemed Cost as at April 1, 2018	1.68
Additions	1.04
Deletions	-
Balance as at March 31, 2019	**2.72**
Additions	2.19
Deletions	-
Balance as at March 31, 2020	**4.91**
Additions	2.69
Deletions	-
Balance as at March 31, 2021	**7.60**
Additions	1.86
Deletions	-
Balance as at December 31, 2021	**9.46**
Net Carrying amount	
Balance as at March 31, 2019	**6.00**
Balance as at March 31, 2020	**5.51**
Balance as at March 31, 2021	**2.87**
Balance as at December 31, 2021	**1.01**

5. Long Term Loans and Advances

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Considered good – Unsecured				
- To Related parties	-	-	-	-
- To Others	18.44	18.36	18.02	17.99
TOTAL	**18.44**	**18.36**	**18.02**	**17.99**

6. Other Non-current Assets

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(i) Capital Advance	13.46	23.46	22.21	45.43
Total	**13.46**	**23.46**	**22.21**	**45.43**

Refer Note 36 for Capital Commitments pertaining to Capital Advances

7. Inventories

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(Valued at lower of cost and net realisable value)				
Raw Materials				
Raw Materials	293.25	201.86	240.80	238.19
Raw Materials - at Port	114.52	43.63	7.87	1.44
Raw Materials - in Transit	72.29	122.91	133.12	5.22
Work in progress	0.19	-	-	-
Finished Goods	257.29	66.03	64.50	71.51
Semi Finised Goods	133.40	148.10	88.17	66.68
Stock - in - Trade (goods acquired for trading)	124.41	168.06	2.13	261.92
Stores and Spares		-	-	-
Consumable, Stores and Spares	48.03	35.54	25.30	5.67
Others	-	-	-	-
Packing Materials	21.07	16.14	11.00	26.42
Diesel , Steam Coal & Fuel	32.80	8.48	12.44	1.41
TOTAL	**1,097.25**	**810.75**	**585.33**	**678.46**

Footnote:

(i) The cost of inventories recognised as an expense for the period ended/year ended ₹ Nil (FY 2021:₹ Nil , FY 1920 :₹ Nil , FY 1819 :₹ Nil)

(ii) There has been no write down of inventories to net realisable value, nor there is reversal of any such write down of inventories.

(iii) The above Inventories have been pledged as securities to the bankers on pari passu basis against the fund based and non fund based credit limits availed or to be availed by the Company.

(iv) For mode of valuation of inventories refer Note 2.6.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

8. Trade Receivables

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Trade receivables – Considered Good Secured				
- From Related parties	-	-	-	-
- From Others	-	-	-	-
Trade receivables – Considered Good Unsecured	-	-	-	-
- From Related parties	-	-	-	-
- From Others	1,471.11	1,459.37	1,130.35	1,057.80
Less : Expected Credit loss allowance	(0.18)	(0.79)	(0.88)	(0.68)
Trade Receivables – having significant increase in credit	-	-	-	-
- From Related parties	-	-	-	-
- From Others	-	-	-	-
Less : Expected Credit loss allowance	-	-	-	-
Trade Receivables - Credit Impaired	-	-	-	-
- From Related parties	1.91	1.89	-	-
- From Others	(1.91)	(1.89)	-	-
Total	**1,470.93**	**1,458.58**	**1,129.47**	**1,057.12**

Notes to Restated Financial Information

Trade Receivables ageing schedule for the period ended December 31, 2021

(₹ in millions,unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	1,468.83	2.02	0.20	0.06	-	1,471.11
increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	0.04	-	0.08	1.53	0.26	1.91
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

(i). * includes ₹ Nil (P.Y.: ₹ Nil) receivable from related parties.

Trade Receivables ageing schedule for the year ended March 31, 2021

(₹ in millions,unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	1,453.91	1.01	3.10	1.35	-	1,459.37
increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	1.20	0.68	-	1.89
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

(i). * includes ₹ Nil (P.Y.: ₹ Nil) receivable from related parties.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

Trade Receivables ageing schedule for the year ended March 31, 2020

(₹ in millions,unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	1,121.47	3.84	1.35	3.69	-	1,130.35
increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	0.19	0.69	-	-	0.88
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

(i). * includes ₹ Nil (P.Y.: ₹ Nil) receivable from related parties.

Trade Receivables ageing schedule for the year ended March 31, 2019

(₹ in millions,unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	1,052.67	1.43	2.63	0.38	-	1,057.12
increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	0.15	0.46	0.07	-	0.68
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

(i). * includes ₹ Nil (P.Y.: ₹ Nil) receivable from related parties.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(ii) Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Reconciliation of Credit loss allowance (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Balance at the beginning of the year	2.67	0.88	0.68	0.84
Add: Allowance for expected credit loss during the y	(0.61)	(0.10)	0.20	(0.16)
Add: Allowance for Expected Credit loss during the year specific provision	0.02	1.89	-	-
Provision at the end of the period	2.08	2.67	0.88	0.68

(iii) Refer Note 44 for information about credit risk and market risk of trade receivables.

9. Cash and cash equivalents (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Balances with banks in current accounts	107.73	63.48	131.37	121.51
Cash in hand	0.09	0.15	0.18	0.16
Cheques, drafts on hand	-	-	-	-
Bank Deposits with maturity less than 3 months	-	-	-	-
Total	**107.82**	**63.63**	**131.55**	**121.67**

10. Bank Balances other than cash and cash equivalents (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Bank Deposits with maturity more than 3 months but less than 12 months	-	-	-	-
Earmarked deposits with banks (e.g. unpaid	-	-	-	-
Margin money deposits (restricted, held as lien against bank guarantees)	2.39	2.30	2.11	1.53
Cash and Bank balances with repatriation restriction	-	-	-	-
Total	**2.39**	**2.30**	**2.11**	**1.53**

*Deposit to the extent of ₹ 2.39 Mn (FY 2021: ₹ 2.30 Mn, FY 1920: ₹ 2.11 Mn,FY 1819: ₹ 1.53 Mn) have maturity period of more than 12 months

*Includes Fixed Deposit of ₹ 0.41 Mn (FY 2021: ₹ Nil, FY 1920: ₹ Nil,FY 1819: ₹ Nil) held under lien with banks for the purpose of obtaining Bank Guarantee

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

11. Short Term Loans and Advances

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Considered good – Unsecured				
- To Related parties	-	-	-	-
- To Others	4.29	5.65	3.99	3.06
TOTAL	**4.29**	**5.65**	**3.99**	**3.06**

12. Other Financial Assets

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Derivative Financial Assets	1.04	-	-	-
Total	**1.04**	**-**	**-**	**-**

13. Other Current Assets

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Advance Recoverable in cash or in kind	0.98	1.73	1.57	1.38
Excise Duty / GST on Export Recoverable	1.52	74.04	0.13	38.36
Balance with Excise and Customs GST	14.63	102.59	162.81	98.23
Advance to Suppliers	40.78	23.09	6.84	13.22
Business Deposits	0.73	0.46	0.29	0.31
Prepaid Expenses	14.24	14.24	16.61	16.61
Others	12.27	3.96	3.27	1.25
Total	**85.15**	**220.11**	**191.53**	**169.37**

14. Current Tax Assets

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Advance Tax paid (Net of provisions for tax)	43.93	38.24	39.06	-
Total	**43.93**	**38.24**	**39.06**	**-**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

15. Equity share capital

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Authorised equity share capital				
As at beginning of the period/year (December 31, 2021: 40,00,000, March 31, 2021: 40,00,000,, March 31, 2020: 40,00,000, March 31, 2019: 40,00,000,) equity shares of ₹ 10/- each	40.00	40.00	40.00	40.00
Increase in authorised share capital - 3,40,00,000 equity shares of ₹ 10 each on August 12,2021. Later on December 08,2021 the shares were split from face value of ₹ 10 to ₹ 2 per share, hence the numbers of shares have increased by 18,60,00,000 equity shares.	340.00	-	-	-
As at end of the period/year (19,00,00,000, (December 31, 2021: 19,00,00,000, March 31, 2021: 40,00,000, March 31, 2020: 40,00,000, 31 March 2019: 40,00,000 equity shares of ₹ 10/- each) equity shares of ₹ 2/- each)	380.00	40.00	40.00	40.00
Issued, subscribed and paid-up share capital				
1,45,00,000 equity shares of ₹ 2/- each (As at March 31, 2021: 29,00,000 As at March 31, 2020: 29,00,000, As at March 31,2019) Equity shares of ₹ 10/- each	29.00	29.00	29.00	29.00
	29.00	29.00	29.00	29.00

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(i) Movements in equity share capital

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021		For the Year ended March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period/year	29,00,000.00	29.00	29,00,000.00	29.00
Issued during the year				
Increase in shares on account of subdivision*	1,16,00,000.00	-	-	-
Outstanding at the end of the period/year	1,45,00,000.00	29.00	29,00,000.00	29.00

(₹ in millions,unless otherwise stated)

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period/year	29,00,000.00	29.00	29,00,000.00	29.00
Issued during the year	-	-	-	-
Increase in shares on account of subdivision*	-	-	-	-
Outstanding at the end of the period/year	29,00,000.00	29.00	29,00,000.00	29.00

*(a) On December 8, 2021 the equity shares of the company having the face value of ₹ 10 each were subdivided into 5 equity shares having face value of ₹ 2 each. Accordingly 29,00,000 equity shares of face value of ₹ 10 each were subdivided into 1,45,00,000 equity shares of face value of ₹ 2 each.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(ii) Terms and rights attached to equity shares

1. The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entilted to one vote per share. The Company declares and pays dividends in Indian rupees.Subsequently on December 08,2021 face value of shares is subdivided into ₹ 2 per share.

2. For the year ended March 31, 2021, the amount of per share dividend proposed and paid as distributions to equity shareholders is ₹ 1.5 (March 31, 2020: ₹ 1.5,March 31,2019 : ₹ 3).

3. In the event of liquidation of the company, the holders of equity shares will be entiled to receive remaining assets of the Company , after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

(iii) Shares held by holding company /ultimate holding company, their subsidiaries and associates: Nil

(iv) Details of shareholders holding more than 5% shares in the company:

Name of the Shareholder	For the period ended December 31, 2021		For the Year ended March 31, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Usha R. Shah	18,00,000	12.41%	3,60,000	12.41%
Gaurang N. Parikh	13,00,000	8.97%	2,60,000	8.97%
Dipti N Parikh	10,50,000	7.24%	2,10,000	7.24%
Sandhya N. Shah	10,05,000	6.93%	2,01,000	6.93%
Nishith R Dharia	10,00,000	6.90%	2,00,000	6.90%
Bhisham V Gupta	8,00,000	5.52%	1,60,000	5.52%

Name of the Shareholder	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Number of shares	% of holding	Number of shares	% of holding
Usha R. Shah	3,60,000	12.41%	3,60,000	12.41%
Gaurang N. Parikh	2,60,000	8.97%	2,60,000	8.97%
Dipti N Parikh	2,10,000	7.24%	2,10,000	7.24%
Sandhya N. Shah	2,01,000	6.93%	2,01,000	6.93%
Nishith R Dharia	2,00,000	6.90%	2,00,000	6.90%
Bhisham V Gupta	1,60,000	5.52%	1,60,000	5.52%

Refer Note 15(1)(a)

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Closing balance as at 31st March, 2022

(v) For the period of 5 years immediately preceding the date at which Balance sheet is prepared

No shares have been allotted as fully paid up pursuant to contract without payment being received in cash

No shares have been allotted as fully paid up by way of Bonus shares

The company had bought back Equity shares in FY 1718, totaling to 2,00,000 Equity shares of facevalue of ₹ 10 per share.

(vi) Shares held by the Promoters at the year end

Sr. No.	Name of the Promoter	Promoters list as on December 31, 2021			Promoters list as on March 31, 2021		
		Number of shares	% of holding	% of Change during the year	Number of shares	% of holding	% of Change during the year
1	NISHITH RAJNIKANT SHAH	1,50,000	1.03%	0.00%	30,000	1.03%	50.00%
2	RAKESH GUPTA	50,000	0.34%	0.00%	10,000	0.34%	0.00%
3	DHAVAL NALIN PARIKH	4,50,000	3.10%	0.00%	90,000	3.10%	0.00%
4	GAURANG NATWARLAL PARIKH	13,00,000	8.97%	0.00%	2,60,000	8.97%	0.00%
5	SACHIN JATIN PARIKH	5,00,000	3.45%	0.00%	1,00,000	3.45%	2.41%
6	PANKIL NISHITH DHARIA	2,50,000	1.72%	0.00%	50,000	1.72%	0.00%
7	NISHITH RASIKLAL DHARIA	10,00,000	6.90%	0.00%	2,00,000	6.90%	0.00%
8	SUKETU N PARIKH	1,00,000	0.69%	0.00%	20,000	0.69%	0.00%
9	KUNAL TUSHAR DHARIA	4,50,000	3.10%	0.00%	90,000	3.10%	0.00%

Refer Note 15(1)(a)

Sr. No.	Name of the Promoter	Promoters list as on March 31, 2020			Promoters list as on March 31, 2019		
		Number of shares	% of holding	% of Change during the year	Number of shares	% of holding	% of Change during the year
1	NISHITH RAJNIKANT SHAH	10,000	0.34%	0.00%	10,000	0.34%	0.00%
2	RAKESH GUPTA	10,000	0.34%	0.00%	10,000	0.34%	0.00%
3	DHAVAL NALIN PARIKH	90,000	3.10%	0.00%	90,000	3.10%	0.00%
4	GAURANG NATWARLAL PARIKH	2,60,000	8.97%	0.00%	2,60,000	8.97%	0.00%
5	SACHIN JATIN PARIKH	30,000	1.03%	0.00%	30,000	1.03%	0.00%
6	PANKIL NISHITH DHARIA	50,000	1.72%	0.00%	50,000	1.72%	0.00%
7	NISHITH RASIKLAL DHARIA	2,00,000	6.90%	0.00%	2,00,000	6.90%	0.00%
8	SUKETU N PARIKH	20,000	0.69%	0.00%	20,000	0.69%	0.00%
9	KUNAL TUSHAR DHARIA	90,000	3.10%	0.00%	90,000	3.10%	0.00%

16. Other Equity

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Other Reserves				
Capital Redemption Reserve				
Opening Balance	7.62	7.62	7.62	7.62
Add: Additions	-	-	-	-
Less: Transfers	-	-	-	-
Closing Balance	**7.62**	**7.62**	**7.62**	**7.62**
Securities Premium				
Opening Balance	11.26	11.26	11.26	11.26
Add: Additions	-	-	-	-
Less: Transfers	-	-	-	-
Closing Balance	**11.26**	**11.26**	**11.26**	**11.26**
General Reserve				
Opening Balance	48.00	48.00	48.00	48.00
Add: Additions	-	-	-	-
Less: Transfers	-	-	-	-
Closing Balance	**48.00**	**48.00**	**48.00**	**48.00**
Retained Earnings				
Opening Balance	1,706.26	1,458.05	1,091.66	859.86
Less: Ind AS Adjustments	-	4.01	(5.18)	(0.23)
Add: Net Profit for the current year	497.40	248.55	382.29	237.27
Less: Dividend Paid	(4.35)	(4.35)	(10.72)	(5.24)
Closing Balance	**2,199.31**	**1,706.26**	**1,458.05**	**1,091.66**
Total	**2,266.19**	**1,773.14**	**1,524.93**	**1,158.54**

Nature and Purpose of Reserves

Capital Redemption Reserve

Capital redemption reserve contains the amount created towards the buyback of equity shares. This reserve is utilised in accordance with the provisions of the Act

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Other Comprehensive Income

These are actuarial gains/ (losses) on employee benefit obligations.

17. Long term borrowings

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Secured				
(a) Term loans				
(i) from banks	720.67	772.44	1,081.80	990.57
(ii) from Non Banking Financial Company (NBFC)	60.00	78.00	102.00	120.00
(ii) from other Parties	-	-	-	-
Less : Current Maturities of Long Term - Borrowings (Refer note 23)	(272.36)	(262.46)	(279.12)	(158.49)
Total	**508.31**	**587.98**	**904.68**	**952.08**

(i) Terms of repayment of loans and Nature of security provided for each case seperately,

(₹ in millions,unless otherwise stated)

Term Loans from Bank	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Term Loan from HDFC Bank Terms of repayment: Quarterly in equal Installments payable over a period of ranging from 5 - 7 Years, Security:''Second Pari Passu Charge on Land situated at Surye No. 25/5B, 25/5C, 25/6B, 25/10E, 25/11G at Chinchavali Gohe, Tehsil Khalapur, Khopoli, Dist. Raigad. Further Term loans are secured by 1st Charge exclusively on Plant and machinery installed out of term loan proceed.,Tenure is 5 to 7 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is July 17 and end of last tranche is July 24	106.44	151.35	214.36	266.62
Term Loan from HDFC Bank Terms of repayment:Quarterly in equal Installments payable over a period of 3 Years Security:Hypothecation by way of Exclusive Charge on Plant and machinery & Moveable Assets of the Company funded out of Term Loan.,Tenure is3 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is Mar 19 and end of last tranche is Mar 21	-	-	5.19	10.39
Term Loan from HDFC Bank Terms of repayment:Quarterly in equal Installments payable over a period of ranging from 5 -6 Years,Security: 'First Pari Passu Charge with HSBC bank on the entire asset of Cogeneration Power Plant located at Survey No.8/2 in Khopoli,,Tenure is 6 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is Feb 19 and end of last tranche is Feb 25	58.50	72.00	90.00	50.00
Term Loan from HDFC Bank Terms of Repayment:Quarterly in equal Installments payable over a period of ranging from 5 - 7 Years,Security:'First and exclusive charge on Land acquired for the purpose of Project for which Loan is given.Second Pari Passu Charge over Stocks and Receivables and Plant & Machinery both present & future as per deed of hypothecation,Tenure is 7 years, Rate in the range of 7 to 8% pa, date of start of 1st tranche is May 18 and end of last tranche is Apr 25	224.00	272.00	320.00	227.00
Term Loan from HDFC Bank Terms of Repayment:Quarterly in equal Installments payable over a period of ranging from 5 - 7 Years,Security: 'Exclusive charge by hypothecation of all the plant and machinery both present and future consisting of all moveable fixed assets, being movable properties, now stored at or being stored or which may hereafter be brought into or stored at or at present installed at FS 30 Mahad Industrial Area, District Raigad 402309,Tenure is 6 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is Dec 19 and end of last tranche is Dec 25	80.00	95.00	100.00	-

(₹ in millions,unless otherwise stated)

Term Loans from Bank	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Term Loan from HSBC Bank Terms of repayment:Monthly in equal Installments payable over a period of ranging from 5 - 6 Years,Security:'Second Pari Passu Charge on Land situated at Surye No. 25/7C at Village Chinchavali Gohe Tehsil Khalapur, Khopoli, Dist. Raigad. Also Further Term loans are secured by 1st Charge exclusively on cogeneration power plant to be constructed out of the facility.Second charge on current and movable fixed assets of the company as per deed of hypothecation.,Tenure is 5 to 6 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is July 18 and end of last tranche is Feb 24	70.13	94.10	152.17	202.19
Term Loan from Citi Bank Terms of Repayment:Quarterly in equal Installments payable over a period ranging from 5 - 6 Years,Security:'First Exclusive Charge by way of hypothecation on Plant & Machinery funded by Citibank Term Loan.Second Pari Passu Charge on existing and future Stocks and book debts of the company and by way of hypothecation on all present and future Plant and Machinery of the company.,Tenure is 5 years, Rate in the range of 9 to 10 % pa, date of start of 1st tranche is Dec 16 and end of last tranche is Dec 21	-	6.93	19.41	31.89
Term Loan from Citi Corp Finance India Ltd Terms of repayment:Quarterly in equal Installments payable over a period ranging from 5 - 6 Years,Security:'First Exclusive Charge by way of hypothecation on Plant & Machinery funded by Citibank Term Loan.Second Pari Passu Charge on existing and future Stocks and book debts of the company and by way of hypothecation on all present and future Plant and Machinery of the company.,,Tenure is 6 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is Apr 18 and end of last tranche is Apr 24	60.00	78.00	102.00	120.00
Term Loan from Kotak Mahindra Bank Terms of repayment:Quarterly in equal Installments payable over a period of ranging from 5 -6 Years,Security:'Hypothecation by way of first charge on plant and machinery installed / to be installed out of TL proceeds and Second pari passu charge on all movable fixed assets (excluding those exclusively charge to other lenders) & Second pari passu charge on all existing and future current assets of the Company.,Tenure is 6 years, Rate in the range of 8 to 9% pa, date of start of 1st tranche is July 18 and end of last tranche is July 24	52.80	80.84	180.00	200.00
Term Loan from ICICI Bank Terms of Repayment:EMI Over the period of Three Years,Security:'Hypothecation of Motor Car.,,Tenure is 3 years, Rate in the range of 12 to 14% pa, date of start of 1st tranche is Aug 18 and end of last tranche is Aug 21	-	0.21	0.67	1.45

(₹ in millions,unless otherwise stated)

Term Loans from Bank	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Term Loan from Kotak Bank Terms of Repayment:EMI Over the period of Five Years,Security:'Hypothecation of Motor Car.,,Tenure is 3 years, Rate in the range of 12 to 14% pa, date of start of 1st tranche is May 15 and end of last tranche is Mar 20	-	-	-	1.03
Term Loan from Kotak Bank Terms of Repayment:EMI Over the period of Six Years,Security: Hypothecation by way of first charge on plant and machinery installed / to be installed out of TL proceeds and Second pari passu charge on all movable fixed assets (excluding those exclusively charge to other lenders) & Second pari passu charge on all existing and future current assets of the Company., Rate of Interest 6.10% Start Date Dec 21 for 6 years end date Dec 27	38.36	-	-	-
Term Loan from HDFC Bank Terms of Repayment: EMI Over the period of Six Years,Security: Hypothecation by way of first charge on plant and machinery installed / to be installed out of TL proceeds and Second pari passu charge on all movable fixed assets (excluding those exclusively charge to other lenders) & Second pari passu charge on all existing and future current assets of the Company.,Tenure is 6 years, Rate in the range of 6.15% pa, date of start of 1st tranche is Oct 21 and end of last tranche is Sep 27	50.60	-	-	-
Term Loan from HDFC Bank Terms of Repayment: EMI Over the period of Six Years,Security: Hypothecation by way of first charge on plant and machinery installed / to be installed out of TL proceeds and Second pari passu charge on all movable fixed assets (excluding those exclusively charge to other lenders) & Second pari passu charge on all existing and future current assets of the Company.,Tenure is 6 years, Rate in the range of 6.15% pa, date of start of 1st tranche is Oct 21 and end of last tranche is Sep 27	39.83	-	-	-
Total Term Loan from Banks and others	**780.67**	**850.44**	**1,183.80**	**1,110.57**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)
Notes to Restated Financial Information

18. Deferred tax liabilities (Net)

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Tax effect of items constituting deferred tax liability				
Property Plant and Equipment	207.62	184.59	147.00	162.65
		-	-	-
Tax effect of items constituting deferred tax liability	207.62	184.59	147.00	162.65
Tax effect of items constituting deferred tax assets				
Provision for employee Benefits	(2.96)	(2.21)	1.36	1.49
Provision for expected Credit loss on trade receivables	(0.53)	(0.20)	0.22	0.24
Derivative Financial Instrument	0.26	(0.21)	1.25	-
Disallowances	(1.46)	(1.25)	0.58	0.04
Tax effect of items constituting deferred tax assets	(4.67)	(3.87)	3.41	1.77
Total	**202.95**	**180.72**	**143.59**	**160.88**

19.Non-current Provisions

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Provision for employee benefits				
(i) Unfunded defined post employement benefits (Refer note 41)	4.70	3.59	4.00	3.48
(b) Others				
(i) Anti Dumping Duty Payable	1.24	1.24	1.24	1.24
(ii) Provision for Taxation - Net	-	0.04	2.09	-
Total	**5.94**	**4.87**	**7.33**	**4.72**

20. Current Borrowings

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Secured				
(a) Loans repayable on demand				
(i) from banks				
Cash Credit	29.13	70.16	-	210.76
Working Capital Demand Loan	666.95	370.00	90.00	100.00
Packing Credit		-	42.06	-
(ii) from Non Banking Finance Company (NBFC)				
Working Capital Demand Loan	100.00	100.00	-	-
SUBTOTAL (A)	**796.08**	**540.16**	**132.06**	**310.76**
UnSecured				
(a) Loans repayable on demand				
(i) from banks	23.33	128.33	-	-
(ii) from related Parties	-	103.46	71.87	42.73
SUBTOTAL (B)	**23.33**	**231.79**	**71.87**	**42.73**
Total	**819.41**	**771.95**	**203.93**	**353.49**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)
(i) Unfunded defined post employement benefits (Refer note 41)

(i) Details of Loans : Secured

(₹ in millions,unless otherwise stated)

Nature of Loans	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Cash Credit, & Packing Credit Security: First Pari Passu charge by way of hypothecation of stocks & book debts & further second Pari Passu charge on Fixed Assets of the company pertaining to Khopoli Unit and Khairne, Navi Mumbai unit by hypothecation of movable machinery and creating mortgage by way of deposit of title deeds of lands & building.	29.13	70.16	42.06	210.76
Working Capital Demand Loan	766.95	470.00	90.00	100.00
Total Secured short term borrowings	**796.08**	**540.16**	**132.06**	**310.76**

(ii) Details of Loans : Unsecured

Loans from Directors are repayable on demand and carry interest in the range of 7 to 8% pa as on December 31, 2021 (FY 2021 : 7 to 8% pa , FY 1920 : 10% pa, FY 1819 :9 to 11% p a)

Loans from relatives of Directors, Shareholders are repayable within a period of one year and carry interest in the range of 7 to 8 % pa (₹ Nil) as on December 31, 2021 [FY 2021: 7 to 8% pa(₹ 103.46 Mn), FY 1920 : 10% pa(₹ 71.87 Mn) , FY 1819 :9 to 11% p a(₹ 42.43 Mn)]

21. Trade Payables

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Trade payables:				
- (A) Total outstanding Dues to MSME	31.01	38.29	-	-
- (B) Total outstanding dues of creditors Other than MSME	1,388.14	1,527.88	1,289.90	1,101.18
Total	**1,419.15**	**1,566.17**	**1,289.90**	**1,101.18**

(i). * includes ₹ 2.63 Millions (March 31,2021: ₹ 3.29 Millions, March 31,2020: ₹ 2.45 Millions,March 31, 2019: ₹ 0.60 Millions) receivable from related parties.(Refer Note No 46)

(i) Information required as per Micro, Small and Medium Enterprises Development Act, 2006

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Principal amount due and remaining unpaid	31.01	37.47	-	-
Interest due and unpaid on the above amount	0.04	-	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	0.13	-	-	-
Payment made beyond the appointed day during the year	-	-	-	-
Interest due and payable for the period of delay	2.57	0.82	-	-
Interest accrued and remaining unpaid	2.48	-	-	-
Amount of further interest remaining due and payable	-	-	-	-

(ii) The above is based on the intimation received from its vendors regarding the status under Micro, Small and Medium enterprises development (MSMED Act, 2006), except as stated above. The above information is based on the information compiled by the Company and relied upon by the auditors.

(iii) Trade Payables Ageing Schedules

Trade payable ageing schedule for the period ended December 31, 2021

(₹ in millions,unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	31.01	-	-	-	31.01
(ii) Others	1,386.76	0.35	1.03	0.00	1,388.14
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing schedule for the year ended March 31, 2021

(₹ in millions,unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	38.29	-	-	-	38.29
(ii) Others	1,520.53	3.88	1.94	1.53	1,527.88
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing schedule for the year ended March 31, 2020

(₹ in millions,unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,279.54	7.51	0.52	2.33	1,289.90
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade payable ageing schedule for the year ended March 31, 2019

(₹ in millions,unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,099.77	0.10	-	1.31	1,101.18
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

22. Other Current Financial Liabilities (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Current maturities of long term borrowings	272.36	262.46	279.12	158.49
(b)Interest accrued and due on borrowings	7.02	10.21	9.63	2.39
(c) Financials Instrument Liabilitites	-	0.85	4.98	-
(d) Creditors for capital items	20.43	64.41	79.50	18.94
Total	**299.81**	**337.93**	**373.23**	**179.82**

23. Other Current Liabilities (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Advance from Customers	41.98	35.64	11.73	35.71
(b) Employees Liabilities	25.83	27.63	11.11	12.86
(c) Statutory Liabilities	13.40	6.37	8.96	6.27
(d) Liabilities for Expenses	112.27	143.53	107.85	108.15
Total	**193.48**	**213.17**	**139.65**	**162.99**

24. Provisions (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Provision for employee benefits				
Provision for Gratuity	6.42	(0.45)	0.82	0.26
Provision for Leave Encashment	0.62	0.49	0.57	0.52
(b) Others				
(i) Provision for warranties	-	-	-	11.03
(ii) Provision for decommisionaing Liabilities	-	-	-	2.09
(iii) Provision for Expenses	39.63	32.25	18.80	4.13
Total	**46.67**	**32.29**	**20.19**	**18.02**

25. Current Tax Liabilities (₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Provision for employee benefits				
Provision for Income tax (Net)	20.54	-	-	-
Total	**20.54**	-	-	-

26. Revenue from operations

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Sale of Products	6,203.38	5,892.06	5,228.66	4,892.07
(b) Revenue from Services				
Job work Sales	36.81	15.06	9.31	18.73
(c) Other Operating Revenue				
Administration Charges Received	-	-	0.33	1.82
Commission Received	6.95	8.41	4.46	8.82
Export Incentives	9.47	30.58	26.88	61.23
Other Operating Income	12.71	9.29	42.76	0.33
Total	**6,269.32**	**5,955.40**	**5,312.40**	**4,983.00**

27. Other Income

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Interest Income				
(i) Interest Received	0.20	0.98	1.29	1.96
(b) Other non-operating income				
(i) Net gains (losses) on fair value changes				
- Insurance Claim Received	0.53	0.61	26.00	0.22
- Net (Loss)/ Gain on foreign currency translation and transactions (other than finance cost)	47.66	58.59	-	-
- Miscellaneous Income	0.33	4.51	5.07	1.83
- Sundry Balance Written Back	3.81	1.27	2.39	1.20
- Rent Income	-	-	-	0.53
Total	**52.53**	**65.96**	**34.75**	**5.74**

28. Cost of Materials Consumed

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Raw material consumed				
Opening Stock	245.49	248.67	239.64	256.43
Add: Purchases	3,237.79	3,367.31	2,335.13	2,605.04
Less: Sales	-	-	-	-
Less: Closing Stock	407.77	245.49	248.67	239.64
SUBTOTAL (A)	**3,075.51**	**3,370.49**	**2,326.10**	**2,621.83**
(b) Packing Materials Consumed				
Opening Stock	16.14	11.00	26.42	5.58
Add: Purchases	160.88	148.15	133.98	160.47
Less: Sales	-	-	-	-
Less: Closing Stock	21.07	16.14	11.00	26.42
SUBTOTAL (B)	**155.95**	**143.01**	**149.40**	**139.63**
TOTAL	**3,231.46**	**3,513.50**	**2,475.50**	**2,761.46**

29. Purchase of Traded Goods

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Purchase of Traded Goods	1,066.45	1,082.43	1,134.98	1,184.78
TOTAL	**1,066.45**	**1,082.43**	**1,134.98**	**1,184.78**

30. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Inventories at the end of the year				
Finished Goods	257.29	66.03	64.50	71.51
Work in Progress	0.19	-	-	65.64
Traded Goods	124.41	168.06	2.13	261.92
Stock in Transit	72.29	122.91	133.12	5.22
Semi Finished	133.40	148.10	88.17	1.03
Total (a)	**587.58**	**505.10**	**287.92**	**405.32**
(b) Inventories at the beginning of the year				
Finished Goods	66.03	64.50	71.51	62.90
Work in Progress	-	-	-	54.49
Traded Goods	168.06	2.13	261.92	79.23
Stock in Transit	122.91	133.12	5.22	0.52
Semi Finished	148.10	88.17	66.68	0.46
Total (b)	**505.10**	**287.92**	**405.33**	**197.60**
(Increase)/Decrease in Inventory	**(82.48)**	**(217.18)**	**117.41**	**(207.71)**

31. Employee Benefit Expenses

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Salary, Wages and Bonus	139.95	128.84	138.06	108.24
(b) Contribution to Provident and other funds	9.96	12.19	15.32	8.98
(c) Defined benefit plan expenses	3.73	0.52	0.24	(0.33)
(d) Staff Welfare expenses	2.90	3.11	3.32	3.97
(e) Director's Remuneration & Perquisites	53.00	43.41	60.11	37.18
(f) Recruitment & Training Expenses	0.23	0.58	0.80	0.80
Total	**209.77**	**188.65**	**217.85**	**158.84**

32. Finance Costs

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Interest				
(i) Term Loan & other Loan	84.62	105.21	76.71	46.42
(d) Other borrowing costs				
(i) Franking Charges	-	1.17	9.34	9.80
Bank Charges	10.38	10.50	0.30	0.10
Total	**95.00**	**116.88**	**86.35**	**56.32**

33. Depreciation and Amortisation Expenses

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation of Property, Plant and Equipment	124.15	121.62	99.12	76.35
Amortization of Intangible Assets	3.36	4.71	4.30	1.54
Amortization of Leasehold land	1.55	0.62	0.62	0.62
Total	**129.06**	**126.95**	**104.04**	**78.51**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

34. Other Expenses

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Manufacturing Expenses				
Power and Fuel	445.27	329.49	310.23	259.83
Water Charges	0.46	0.18	5.55	8.32
Repairs and Maintenance				
- Machinery	30.65	38.86	9.75	13.31
- Others	16.73	18.41	19.68	10.93
Stores & Spares Consumed	48.46	65.21	47.64	24.55
Labour Charges	21.83	20.30	50.51	25.80
Other Manufacturing Expenses	124.21	139.81	34.76	10.46
Selling and Distribution Expenses				
Freight, Handling and Other Sales and Distribution Expenses	204.67	154.54	162.67	126.88
Commission on Sale	36.41	24.86	33.76	16.25
Advertisement and Publicity	7.96	0.62	2.17	5.72
Establishment Expenses				
Rent	0.44	0.29	0.11	0.72
Rates and Taxes	2.61	1.38	4.21	7.97
Insurance	8.20	9.52	8.49	4.76
Communication cost	0.93	1.17	2.60	6.42
Travelling and Conveyance	3.75	5.68	9.71	11.94
Repairs and Maintenance - Others	0.93	0.85	4.78	-
Printing and Stationery	0.06	0.23	1.02	1.58
Legal and Professional Charges	14.24	22.75	39.79	32.15
Auditor's Remuneration (refer note below)	1.04	0.65	0.65	0.66
Security Charges	-	-	-	5.73
Net Loss/ (Gain) on foreign currency translation and transactions (other than finance cost)	-	-	(4.01)	(16.11)
Subscription and Donation	1.42	2.49	0.44	1.21
Irrevocable receivables written off	0.71	3.37	2.11	2.95
Provision on doubtful receivables	0.02	1.89	-	-
Corporate Social Responsibility	10.03	3.45	9.18	3.11
Miscellaneous Expenses	0.57	0.54	0.20	6.40
Administrative Expenses	17.61	19.83	16.18	2.94
Loss/(Profit) on Sales of Fixed Assets / Written Off	1.68	5.95	(0.04)	0.08
Expected credit loss allowance	(0.61)	(0.09)	0.20	(0.16)
Total	**1,000.28**	**872.23**	**772.34**	**574.40**

Note: Auditors Remuneration

(₹ in millions,unless otherwise stated)

Auditor's remuneration comprises:	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
As auditor	0.38	0.35	0.35	0.35
For Tax Audit	0.11	0.10	0.10	0.10
For Taxation matters	0.04	0.10	0.10	0.10
For certification and other services	0.51	0.10	0.10	0.10
Total	**1.04**	**0.65**	**0.65**	**0.65**

Notes to Restated Financial Information

35. Contingent Liabilities

Contingent Liabilities

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Claims against the company not acknowledged as debt				
Customs Act (Refer Note 1)	5.08	5.08	5.08	5.08
DRI Mumbai and Ahmedabad*	8.61	8.61	7.64	7.64
Income Tax Liability that may arise in respect of matters in appeal	2.64	-	-	-
Allowability of Cenvat credit on Capital Goods	-	-		1.12
(b) Guarantees excluding financial guarantees	16.32	11.27	15.34	3.18
Total	**32.65**	**24.96**	**28.06**	**17.02**

Note:

1) The company has received an order passed by Commissioner of Customs (dated 22.03.2013) confirming a demand of Anti- Dumping duty aggregating to ₹ 5.08 Mn. The said demand is accepted and duly accounted for in the books. However, the customs department has also imposed a penalty of ₹ 5.08 Mn u/s- 114A of The Customs Act, 1962. The company has disputed the penalty and preferred an appeal against the same. The said penalty amount is treated as a contingent liability.

2) The Company has received various Show Cause cum Demand Notice from DRI Mumbai and Ahmedabad totalling ₹ 8.61 Mn (FY 1920 and FY 2021 : 7.64 Mn) relating to licences purchased by the company and utilized for duty free import which the customs had later on discovered to be bogus. The Company has submitted the reply with all the relevant evidence supporting its genuineness and is awaiting the next hearing for the same. Based on the advice from the legal counsel the company is confident that the case is not teneable and there will not be any outflow of duty.

3) During the period ended December 31,2021 the company was assessed by the Income Tax Department for AY 2018-19 and certain addition was made resulting in demand of ₹ 2.64 Mn against which the company has preferred and appeal with the Commissioner of Income Tax (Appeals).

36. Commitments

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) Estimated amount of contracts to be executed on capital account and not provided for	332.98	80.41	44.31	38.86
(b) Others (Specify nature)		-	-	-
Total	332.98	80.41	44.31	38.86

37. Corporate Social Resonsibility Expenses

In pursuance of the provisions of the Companies Act, 2013 and CSR Policy of the Company it is required to spend two percent of the average net profits for the three immediately preceding financial years towards CSR activities. Details of expenditure incurred towards CSR is as follows:

(₹ in millions,unless otherwise stated)

Corporate Social Responsibility expenses	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(i) Gross amount required to be spent by the company during the year	7.79	7.63	6.45	5.23
(ii) amount of expenditure incurred,	1.07	3.45	3.46	0.88
(iii) shortfall at the end of the year,	6.72	4.19	2.99	0.00
(iv) total of previous years shortfall,*	2.99	2.99	2.99	0.00
(v) reason for shortfall,	Non Availbility of appropriate projects due to restriction in movements owing to Covid 19 Outbreak	Non Availbility of appropriate projects due to restriction in movements owing to Covid 19 Outbreak	Non Availbility of appropriate projects due to restriction in movements owing to Covid 19 Outbreak	Non Availbility of appropriate projects
(vi) nature of CSR activities	Promotion of Education, Water supply, Medical Expenses	Promotion of Education, Water supply, Medical Expenses	Promotion of Education, Water supply, Medical Expenses	Promotion of Education, Water supply, Medical Expenses
(vii) details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-	-	-

*Subsequently Paid ₹ 2.00 Mn paid to PM National Relief Fund and ₹ 2.20 Mn paid to PM Care Fund for the FY 2021.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

38. Expenditure on Research and Development

(₹ in millions,unless otherwise stated)

Expenditure on Research and Development	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Capital Expenditure	1.58	8.82	2.93	-
Revenue Expenditure	16.02	36.98	27.07	21.10

39. Tax Expenses

(a) Amounts recognised in profit and loss

(₹ in millions,unless otherwise stated)

Particular	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Current tax expense				
Current year Tax	151.77	50.50	78.00	119.35
Deferred tax expense	22.23	37.13	(17.28)	25.52
Income tax(excess)/ short provision of earlier years	(3.85)	-	-	-
Total Income tax Expense	170.15	87.63	60.72	144.87

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

b) Reconciliation between provision of income tax of the Company and amounts computed by applying Statutory Income tax rates to Profit before tax is as follows:

A) Current tax

(₹ in millions,unless otherwise stated)

Particular	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Profit before tax	667.54	340.17	437.79	382.37
Enacted Tax rates in India	25.17%	25.17%	25.17%	34.94%
Computed Expected tax expenses	168.01	85.61	110.18	133.62
Effect of deductible expenses	151.77	50.50	78.00	119.35

B) Deferred Tax for the period/year ended:

For the period ended December 31, 2021

(₹ in millions,unless otherwise stated)

Details	For the period ended December 31, 2021	Recognised in Profit and loss (Asset)/ liability	For the year ended March 31, 2021
Property Plant and Equipment	207.62	(23.03)	184.59
Tax effect of items constituting deferred tax assets :			
Provision for employee Benefits	(2.96)	0.74	(2.21)
Provision for expected Credit loss on trade receivables	(0.53)	0.34	(0.20)
Derivative Financial Instruments	0.26	(0.47)	(0.21)
Disallowances	(1.46)	0.21	(1.25)
Total	202.95	(22.23)	180.72

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

For the year ended March 31, 2021 (₹ in millions,unless otherwise stated)

Details	For the year ended March 31, 2021	Recognised in Profit and loss (Asset)/ liability	For the year ended March 31, 2020
Property Plant and Equipment	184.59	37.60	147.00
Tax effect of items constituting deferred tax assets :			
Provision for employee Benefits	(2.21)	(3.57)	1.36
Provision for expected Credit loss on trade receivables	(0.20)	(0.42)	0.22
Derivative Financial Instruments	(0.21)	(1.47)	1.25
Disallowances	(1.25)	(1.83)	0.58
Total	180.72	37.13	143.59

For the year ended March 31, 2020 (₹ in millions,unless otherwise stated)

Details	For the year ended March 31, 2020	Recognised in Profit and loss (Asset)/ liability	For the year ended March 31, 2019
Property Plant and Equipment	147.00	37.60	162.65
Tax effect of items constituting deferred tax assets :			
Provision for employee Benefits	1.36	(0.13)	1.49
Provision for expected Credit loss on trade receivables	0.22	(0.02)	0.24
Derivative Financial Instruments	1.25	1.25	-
Disallowances	0.58	0.53	0.04
Total	143.59	(17.28)	160.88

For the year ended March 31, 2019 (₹ in millions,unless otherwise stated)

Details	For the year ended March 31, 2019	Recognised in Profit and loss (Asset)/ liability	For the year ended March 31, 2018
Property Plant and Equipment	162.65	(25.03)	137.62
Tax effect of items constituting deferred tax assets :			
Provision for employee Benefits	1.49	0.03	1.52
Provision for expected Credit loss on trade receivables	0.24	0.06	0.30
Disallowances	0.04	0.40	0.44
Total	160.88	(25.52)	135.36

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

40. Earnings per share

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net Profit/(Loss) after tax	500.96	250.84	377.74	237.20
Equity shares at the beginning of the Period/Year (nos. of shares)	29,00,000	29,00,000	29,00,000	29,00,000
Equity shares issued during the Period/Year	1,16,00,000	-	-	-
Equity shares at the end of the Period/Year (nos. of shares)	1,45,00,000	29,00,000	29,00,000	29,00,000
Weighted average equity shares for the purpose of calculating basic earnings per share (nos. of shares)	1,45,00,000	29,00,000	29,00,000	29,00,000
Weighted average equity shares for the purpose of calculating diluted earnings per share (nos. of shares)	1,45,00,000	29,00,000	29,00,000	29,00,000
Earnings per share-basic (face value of ₹ 10/- each) (₹) *	34.55	17.30	26.05	16.36
Earnings per share-diluted (face value of ₹ 10/- each) (₹) *	34.55	17.30	26.05	16.36

* Pursuant to a resolution passed by our Board on November 16, 2021 and a resolution passed by our Shareholders in the EGM held on December 08,2021 our Company has sub-divided its authorised share capital, such that 3,80,00,000 equity shares of ₹ 10 each aggregating to ₹ 380 Mn were sub-divided and reclassified as 19,00,00,000 Equity Shares of ₹ 2 each aggregating to ₹ 380 Mn. Therefore, the cumulative number of issued, subscribed and paid up Equity Shares, pursuant to sub-division was increased from 29,00,000 equity shares of ₹ 10 each aggregating to ₹ 29 Mn to 1,45,00,000 Equity Shares of ₹ 2 each aggregating to ₹ 29 Mn. Stock split of shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all period/year presented.

41. Employee Benefits

I. Details of retirement plans:

The employees of the Company are members of a state – managed retirement benefit plans namely gratuity fund operated by the Government of India. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

The Company has recognised the following amounts in the Income Statement during the year under 'Contribution to staff provident and other funds' (Refer Note 31)

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Contribution to Provident & Other Funds	9.96	12.19	15.32	8.98
Total	**9.96**	**12.19**	**15.32**	**8.98**

II. Defined benefit plans

The company operates funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to retirement benefits depending upon the number of years of service rendered by them subject to minimum specified number of years of service.

No other post retirement benefits are provided to these employees.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at December 31, 2021 and march 31, 2021,March 31,2020 and March 31,2019 by the certified actuarial valuer.

The present value of the defined benefit obligation, related current service cost and past service cost were measured using the projected unit credit method.

(A) Movements in present value of defined benefit obligation

(₹ in millions,unless otherwise stated)

Particulars	**Gratuity (funded) For the period ended December 31, 2021**	**Gratuity (funded) For the Year ended March 31, 2021**	**Gratuity (funded) For the Year ended March 31, 2020**	**Gratuity (funded) For the Year ended March 31, 2019**
Obligations as at beginning of the year	18.70	18.12	14.62	12.03
Current service cost	2.12	2.84	2.21	1.78
Current service contribution- employee	-	-	-	-
Interest cost	0.90	1.09	1.09	0.91
Transfer in	-	-	-	-
Plan amendment	-	-	-	-
Acquisitions	-	-	-	-
Benefits paid	(0.44)	(1.16)	(0.58)	(0.40)
Actuarial (gain)/loss	4.70	(0.62)	1.93	0.10
Exchange difference	-	(1.57)	(1.15)	0.20
Present value of defined benefit obligation as at end of the year	**25.98**	**18.70**	**18.12**	**14.62**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(B) Movements in the fair value of plan assets

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Fair value of plan assets at beginning of the year	19.15	17.30	14.36	11.00
Expected return on plan assets	0.92	1.05	1.07	0.83
Actual return on plan assets	(0.07)	0.07	(0.11)	0.08
Contributions by the employer	-	1.89	2.56	2.85
Other adjustments	-	-	-	-
Benefits paid	(0.44)	(1.16)	(0.58)	(0.40)
Exchange difference	-	-	-	-
Fair value of plan assets as at end of the year	**19.56**	**19.15**	**17.30**	**14.36**

(C) Amount recognized in the balance sheet

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Present value of defined benefit obligation as at end of the year	25.98	18.70	18.12	14.62
Fair value of plan assets as at end of the year	19.56	19.15	17.30	14.36
As at year end [Asset/(Liabilities)]	**(6.42)**	**0.45**	**(0.82)**	**(0.26)**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(D) Category of Assets (₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Government of India Assets	-	-	-	-
State Government Securities	-	-	-	-
Special Deposits Scheme	-	-	-	-
Debt Instruments	-	-	-	-
Corporate Bonds	-	-	-	-
Cash And Cash Equivalents	-	-	-	-
Insurance fund	19.56	19.15	17.30	14.36
Asset-Backed Securities	-	-	-	-
Structured Debt	-	-	-	-
Other	-	-	-	-
Total	**19.56**	**19.15**	**17.30**	**14.36**

(E) Other Details (₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
No of Members in Service	607	602	563	517
Per Month Salary For Members in Service	6.52	5.54	5.39	4.67
Weighted Average Duration of the Projected Benefit Obligation	10.02	9.56	9.73	9.33
Average Expected Future Service	9.00	10.00	9.00	10.00
Projected Benefit Obligation (PBO) - Total	25.98	18.70	18.13	14.62
Projected Benefit Obligation (PBO) - Due but Not Paid	-	-	-	-
Expected Contribution in the Next Year	6.52	2.38	3.66	2.47

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(F) Net Interest Cost for Current Year

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Present Value of Benefit Obligation at the Beginning of the Period	25.98	18.13	14.62	12.03
(Fair Value of Plan Assets at the Beginning of the Period)	(19.56)	(17.31)	(14.36)	(11.00)
Net Liability/(Asset) at the Beginning	6.42	0.82	0.26	1.03
Interest Cost	1.71	1.09	1.09	0.91
(Interest Income)	(1.29)	(1.05)	(1.07)	(0.83)
Net Interest Cost for Current Period	0.42	0.05	0.02	0.08

(G) Amounts recognized in the statement of profit and loss

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Current service cost	3.87	2.84	2.21	1.78
Interest cost	0.42	0.05	0.02	0.08
Expected return on plan assets	-	-	-	-
Past service cost	-	-	-	-
Net actuarial (gain)/loss recognized in the year	-	-	-	-
Total	4.29	2.89	2.23	1.86

Notes to Restated Financial Statements

(H) Maturity Analysis of the Benefit Payments

(₹ in millions,unless otherwise stated)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
1st Following Year	1.84	1.30	1.45	1.08
2nd Following Year	1.60	1.47	1.20	1.24
3rd Following Year	2.13	1.38	1.44	1.12
4th Following Year	2.09	1.63	1.35	1.34
5th Following Year	2.18	1.70	1.53	1.25
Sum of Years 6 To 10	10.75	7.79	7.49	6.77
Sum of Years 11 and above	31.59	20.28	18.90	17.98

(I) Amounts recognised in other comprehensive income

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Experience adjustments	4.77	(2.27)	0.89	0.23
Total	4.77	(2.27)	0.89	0.23

(J) Category of plan assets

The Company’s plan assets in respect of gratuity are funded through the Gratuity Scheme of LIC

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Administered by Life Insurance Corporation of India *	-	-	-	-
Government of India Securities	-	-	-	-
State Government securities	-	-	-	-
Special Deposit Scheme	-	-	-	-

*The Company is unable to obtain the details of plan assets from the Life Insurance Corporation of India and hence the disclosure thereof is not made.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Statements

(K) Sensitivity analysis

(₹ in millions,unless otherwise stated)

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
DBO On base assumptions	25.98	18.70	18.12	14.62
A. Discount Rate	-	-	-	-
1. Effect due to 1% increase in discount rate	(2.05)	(1.40)	(1.39)	(1.06)
2. Effect due to 1% decrease in discount rate	2.37	1.62	1.61	1.22
B. Salary Escalation Rate	-	-	-	-
1. Effect due to 1% increase in salary escalation rate	2.29	1.58	1.57	1.21
2. Effect due to 1% decrease in salary escalation rate	(2.02)	(1.40)	(1.38)	(1.07)
C. Withdrawal Rate	-	-	-	-
1. Effect due to 5% increase in withdrawal rate	(0.44)	(0.17)	(0.21)	(0.04)
2. Effect due to 5% decrease in withdrawal rate	0.49	0.19	0.23	0.04

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities.

These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments % which have low correlation with equity securities.

The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

(L) Actuarial assumptions

Actuarial valuation as at the year-end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

Notes to Restated Financial Statements

i) General assumptions

Particulars	Gratuity (funded) For the period ended December 31, 2021	Gratuity (funded) For the Year ended March 31, 2021	Gratuity (funded) For the Year ended March 31, 2020	Gratuity (funded) For the Year ended March 31, 2019
Discount rate (per annum)	6.59%	6.44%	6.04%	7.47%
Rate of return on plan assets	6.59%	6.44%	6.04%	7.47%
Withdrawal rate	8.00%	8.00%	8.00%	8.00%
Rate of increase in compensation	9.00%	7.50%	7.50%	7.50%

ii) Mortality rates considered are as per the published rates in the India Assured Lives Mortality (2006-08) (Modified) ULT. (Previous year: Life Insurance Corporation of India (2006-08)) mortality table.

iii) Leave policy: Leave balance as at the valuation date and each subsequent year following the valuation date to the extent not availed by the employee accumulated up to period ended/year ended is available for encashment on separation from the Company up to a maximum of 45 days.

iv) Liability on account of long term absences has been actuarially valued as per Projected Unit Credit Method.

v) Short term compensated absences have been provided on actual basis.

42. Segment Reporting

The Company operates in a Single segment viz Speciality Chemicals and the operations are largely confined to India. Accordingly, reporting under Ind AS 108 - Segment Reporting is not applicable.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

43. Fair Value measurements
Financial Instruments by Category

Carrying values of Financial assets and financial liabilties including their levels in the fair value hierarchy , are presented below. Financial assets and financial laibilities such as cash and cash equivalents, other bank balances, trade receivables, loans, Trade payables, borrowings of which the fair value is a reasonable approximation of fair value due to their short term nature are disclosed at carrying values.

(₹ in millions,unless otherwise stated)

Particulars	For the Period ended December 31, 2021			For the year ended March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial Assets						
(i) Investments	-	-	-	-	-	-
(ii) Trade receivables	-	-	1,470.93	-	-	1,458.58
(iii) Cash and cash equivalents	-	-	107.82	-	-	63.63
(iv) Bank Balances other than (iii) above	-	-	2.39	-	-	2.30
(v) Loans	-	-	4.29	-	-	5.65
(vi) Other Financial Assets	-	-	1.04	-	-	-
Total Financial Assets	**-**	**-**	**1,586.47**	**-**	**-**	**1,530.16**
Financial Liabilities						-
(i) Borrowings	-	-	1,327.72	-	-	1,359.93
(ii) Trade payables	-	-	1,419.15	-	-	1,566.18
(iii) Other financial liabilities	-	-	299.81	-	-	337.93
Total Financial Liabilities	**-**	**-**	**3,046.68**	**-**	**-**	**3,264.04**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(₹ in millions,unless otherwise stated)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	cost
Financial Assets						
(i) Investments	-	-	-	-	-	-
(ii) Trade receivables	-	-	1,129.47	-	-	1,057.12
(iii) Cash and cash equivalents	-	-	131.55	-	-	121.67
(iv) Bank Balances other than (iii) above	-	-	2.11	-	-	1.53
(v) Loans	-	-	3.99	-	-	3.06
(vi) Other Financial Assets	-	-	-	-	-	-
Total Financial Assets	**-**	**-**	**1,267.12**	**-**	**-**	**1,183.38**
Financial Liabilities						
(i) Borrowings	-	-	1,108.61	-	-	1,305.57
(ii) Trade payables	-	-	1,289.90	-	-	1,101.18
(iii) Other financial liabilities	-	-	373.23	-	-	179.82
Total Financial Liabilities	**-**	**-**	**2,771.74**	**-**	**-**	**2,586.57**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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 Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

Financial Assets and Liabilities measured at Fair values - recurring fair value measurements

(₹ in millions,unless otherwise stated)

Particulars	For the Period ended December 31, 2021			For the year ended March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTPL	-	-	-	-	-	-
Financial Assets at FVOCI	-	-	-	-	-	-
Total Financial assets	**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities at FVTPL	-	-	-	-	-	-
Financial Liabilities at FVOCI	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in millions,unless otherwise stated)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTPL	-	-	-	-	-	-
Financial Assets at FVOCI	-	-	-	-	-	-
Total Financial assets	**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities at FVTPL	-	-	-	-	-	-
Financial Liabilities at FVOCI	-	-	-	-	-	-
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Fair value measurements recognised in the balance sheet:

The above table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

-Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
-Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
There are no transfers between Levels 1 & 2 during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

44. Financial Risk management

The Company's principal financial liabilities comprise of loan from banks and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, credit risk, market risk, interest rate risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instuments covered below is restricted to their respective carrying amount.

(i) Trade and Other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Following table represent allowance for doubtful debts with the trade receivables over the years:

Reconciliation of Loss allowance provision

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Loss Allowance at the beginning	2.67	0.88	0.68	0.84
Add: Allowance for Expected Credit loss during the period/year	(0.61)	(0.10)	0.20	(0.16)
Add: Allowance for Expected Credit loss during the year specific provision	0.02	1.89	-	-
Loss Allowance at the closing	2.08	2.67	0.88	0.68

(ii) Cash and Cash Equivalents and Other Bank balances

The Company maintains exposure in cash and cash equivalents, term deposits with banks and derivative contracts.

The Company held cash and cash equivalents of ₹ 107.82 Mn at 31st December, 2021 (March 31,2021 ₹ 63.63 Mn , March 31,2020 ₹ 131.55 Mn, and March 31,2019 ₹ 121.67 Mn). Cash and cash equivalents other then actual Cash are held with reputable and credit-worthy banks.

Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

B. Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive

exposure in our foreign currency revenues and costs. The Company uses derivative to manage market risk. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

(i) Currency risk

The Company is exposed to currency risk on account of its operations in other countries. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities. The company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

Following is the derivative financial instruments to hedge the foreign exchange rate risk

(₹ in millions,unless otherwise stated)

Particulars	For the Period ended December 31, 2021			For the year ended March 31, 2021		
	Trade and Other Receivables and payable	Hedges available	Net exposure to Foreign currency risk	Trade and Other Receivables and payable	Hedges available	Net exposure to Foreign currency risk
-	50.11	49.07	1.04	57.96	58.80	0.85

(₹ in Millions)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Trade and Other Receivables and payable	Hedges available	Net exposure to Foreign currency risk	Trade and Other Receivables and payable	Hedges available	Net exposure to Foreign currency risk
-	134.49	139.46	4.98	-	-	-

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

The carrying amounts of the Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows:

(₹ in millions,unless otherwise stated)

Particulars	For the Period ended December 31, 2021		For the year ended March 31, 2021	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	428.73	992.13	366.77	709.86
SGD	-	-	-	-
GBP	0.00	-	-	-
EUR	12.01	6.73	29.86	8.94
CNY	-	-	-	14.33
Total	**440.74**	**998.86**	**396.63**	**733.13**

(₹ in millions,unless otherwise stated)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	255.62	569.06	366.77	709.86
SGD	-	0.05	-	-
GBP	-	0.89	-	-
EUR	49.73	9.61	29.86	8.94
CNY	-	81.02	-	14.33
Total	**305.35**	**660.63**	**396.63**	**733.13**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.
The following table details the Company's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies of all the companies in the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the respective functional currency strengthens by 5% against the relevant foreign currency. For a 5% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

(₹ in millions,unless otherwise stated)

Particulars	**For the Period ended December 31, 2021**		**For the year ended March 31, 2021**	
	(Increase)	(Decrease)	(Increase)	(Decrease)
Impact on profit before tax				
USD	(28.17)	28.17	(17.16)	17.16
SGD	-	-	-	-
GBP	0.00	(0.00)	-	-
EUR	0.26	(0.26)	1.05	(1.05)
CNY	-	-	(0.72)	0.72
Total	**(27.91)**	**27.91**	**(16.83)**	**16.83**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(₹ in Millions)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	(Increase)	(Decrease)	(Increase)	(Decrease)
Impact on profit before tax				
USD	(15.67)	15.67	(18.34)	18.34
SGD	(0.01)	0.01	-	-
GBP	(0.04)	0.04	-	-
EUR	2.01	(2.01)	(1.49)	1.49
CNY	(4.05)	4.05	-	-
Total	**(17.76)**	**17.76**	**(19.83)**	**19.83**

(ii) Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

<u>Interest rate sensitivity analysis:</u>

As at 31st December, 2021 , March 31, 2021,March 31,2020 and March 31,2019 financial liability of ₹ 3046.68 Mn, ₹ 3264.04 Mn, ₹ 2771.74 Mn and ₹ 2586.57 Mn, respectively, were subject to variable interest rates. Increase/decrease of 25 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 7.62 Mn, ₹ 8.16 Mn, ₹ 6.93 Mn and ₹ 6.45 Mn for the period /year ended ,December 31,2021 March 31, 2021,March 31,2020 and March 31,2019 respectively.

The risk sensitivity estimates provided are based on the assumption that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(iii) Liquidity risk:

The Company follows a Conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as pruduent capital expenditure. The Company has a overdraft facility with banks to support any temporary funding requirements.

The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

Liquidity table:

The following tables detail the Company’s remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

(₹ in millions,unless otherwise stated)

Particulars	For the period ended December 31, 2021			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	819.42	482.55	25.76	1,327.73
Trade and other payables	1,411.80	7.35	-	1,419.15
Derivatives	-	-	-	-
Other financial liabilities	299.81	-	-	299.81
Total financial liabilities	**2,531.03**	**489.90**	**25.76**	**3,046.68**

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(₹ in millions,unless otherwise stated)

Particulars	For the year ended March 31, 2021			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	771.95	587.98	-	1,359.93
Trade and other payables	1,558.38	7.80	-	1,566.18
Other financial liabilities	337.93	-	-	337.93
Total financial liabilities	**2,668.26**	**595.78**	**-**	**3,264.03**

(₹ in millions,unless otherwise stated)

Particulars	For the year ended March 31, 2020			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	203.94	873.67	31.00	1,108.61
Trade and other payables	1,279.54	10.36	-	1,289.90
Other financial liabilities	373.23	-	-	373.23
Total financial liabilities	**1,856.70**	**884.04**	**31.00**	**2,771.74**

(₹ in millions,unless otherwise stated)

Particulars	For the year ended March 31, 2019			
	Within One Year	One to five years	More than five years	Total
Financial instruments:				
				-
Borrowings	353.48	911.08	41.00	1,305.57
Trade and other payables	1,099.76	0.10	1.31	1,101.18
Derivatives	-	-	-	-
Other financial liabilities	179.82	-	-	179.82
Total financial liabilities	**1,633.07**	**911.17**	**42.31**	**2,586.57**

(iv) Other price risk:

The Company does not hold any equity investment and hence question of exposure to any significant equity price risks arising from equity investments, as on period ended/year ended does not arise.

Equity price sensitivity analysis:

There is no exposure to equity price risks as at the reporting date or as at the previous reporting date.

C. Capital Management

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximise the shareholders value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

45. Disclosure in terms of Ind AS 116

As Lessor

The following table sets out a maturity analysis of lease payaments, showing undiscounted lease payments to be received after the reporting period.

(₹ in millions,unless otherwise stated)

Particulars	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Within one year	0.30	-	-	-
Between one to five years	1.50	-	-	-
Beyond five years	2.70	-	-	-

Finance Leases

Amounts recognised in the Balance Sheet

A company has finance lease arrangement for various land leases for terms of 95 to 99 years . The carrying amount of these assets are shown below:

(₹ in millions,unless otherwise stated)

Particulars	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Land				
Gross Carrying Amount	64.53	60.03	60.03	60.03
Accumulated Depreciation	4.93	2.81	2.19	1.58
Depreciation recognized in statement of profit and loss	1.70	0.62	0.62	0.62

Notes to Restated Financial Information

46. Related party relationships, transactions and balances:

a) Name of Related Parties and nature of relationship

I. Directors

1. Executive Directors

Nishith R. Shah
Gaurang N. Parikh
Dhaval N. Parikh
Pankil N. Dharia
Anvi N Shah (resigned w.e.f. October 31,2021)

2. Non - Executive Directors

Bhisham K. Gupta (Resigned w.e.f. October 31, 2021)
Jatin N. Parikh (Resigned w.e.f. July 12, 2021)
Suketu N. Parikh (Resigned w.e.f. October 31, 2021)
Tushar N. Dharia (Resigned w.e.f. October 31, 2021)

II Key Managerial Personnel (KMPs)

Nishith R. Shah
Gaurang N. Parikh
Dhaval N. Parikh
Pankil N. Dharia
Bhisham K. Gupta (Resigned w.e.f. October 31, 2021)
Jatin N. Parikh (Resigned w.e.f. July 12, 2021)
Suketu N. Parikh (Resigned w.e.f. October 31, 2021)
Anvi N Shah (Resigned w.e.f. October 31,2021)
Suvarnlata Gurav (appointed w.e.f. August 30, 2021)
Hitesh Sheth (appointed w.e.f. September 01, 2021)

3. Relatives of Key Mangerial Personnel

Nishit R Shah HUF
Rajnikant C Shah HUF
Usha R. Shah
Sandhya Nishit Shah
Heta T Parikh
Namita T Parikh
Jignash J Kantawala
Lina S. Parikh
Sheetal S Parikh
Tushar R Parikh
Sundeep Parikh
Dipak Amarshi

II. Enterprise over which the Key Managerial Personnel have significant influence with whom transactions have taken place during the year

Friends Fab Form Private limited (Prop Of Consolidated Chemequip (MFR) Corpn)
Dipnal Valves & Tubestos Co.(Firm)
Heat Fabs (Firm)
Sentinel Electric Co.(Firm)

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(₹ in millions,unless otherwise stated)

Sr. No.	Entity Name	Type of Transactions	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
1	Nishit R Shah					
		Interest Paid	0.26	1.31	1.12	0.28
		Directors Remuneration	23.56	18.58	12.75	12.98
		Loan Taken	1.68	16.53	19.30	6.13
		Loan Repaid	13.21	22.00	6.55	11.18
		Loan Payable	-	11.53	17.00	4.25
		Remuneration Payable	1.00	2.04	0.00	-
2	Bhisham K Gupta					
		Interest Paid	0.46	0.90	0.87	0.14
		Professional Charges	-	-	1.12	3.26
		Loan Taken	-	-	5.00	5.00
		Loan Repaid	10.00	-	-	7.50
		Loan Payable	-	10.00	10.00	5.00
3	Jatin N. Parikh					
		Interest Paid	0.36	0.12	0.84	0.22
		Professional Charges	-	-	0.01	0.01
		Loan Taken	10.00	5.00	18.00	3.90
		Loan Repaid	10.00	5.00	18.00	3.90
		Remuneration Payable	-	-	-	2.75
4	Gaurang N Parikh					
		Interest Paid	-	0.06	0.25	0.35
		Directors Remuneration	16.66	14.44	11.66	10.51
		Loan Taken	-	1.50	-	5.00
		Loan Repaid	-	1.50	5.00	-
		Loan Payable	-	-	-	5.00
		Remuneration Payable	0.72	1.72	1.06	2.23
5	Dhaval N Parikh					
		Directors Remuneration	12.60	12.02	7.80	5.69
		Remuneration Payable	0.64	1.33	1.25	1.21
6	Pankhil N Dharia					
		Interest Paid	0.01	0.08	-	-
		Directors Remuneration	10.01	11.25	5.90	6.03
		Loan Taken	-	1.22	-	-
		Loan Repaid	1.22	-	-	-
		Remuneration Payable	0.40	1.32	1.22	2.26
		Loan Payable	-	1.22	-	-
7	Suketu N Parikh					
		Interest Paid	0.10	0.14	0.04	-
		Loan Taken	-	1.00	1.50	-
		Loan Repaid	2.00	-	0.50	-
		Loan Payable	-	2.00	1.00	-
8	Anvi N Shah					
		Interest Paid	0.68	0.41	-	-
		Directors Remuneration	5.86	7.75	-	-
		Professional Charges	-	6.41	-	-
		Loan Taken	16.50	9.58	-	-
		Loan Repaid	25.88	0.20	-	-
		Loan Payable	-	9.38	-	-
		Remuneration Payable	0.00	0.98	-	-
9	NISHITH R SHAH - HUF					
		Interest Paid	0.34	0.28	-	-
		Loan Taken	9.12	6.59	0.90	-
		Loan Repaid	15.70	-	0.90	-
		Loan Payable	-	6.59	-	-

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

(₹ in millions,unless otherwise stated)

Sr. No.	Entity Name	Type of Transactions	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
10	**RAJNIKANT C SHAH - HUF**					
		Interest Paid	0.52	1.15	1.12	0.42
		Loan Taken	12.22	5.85	1.43	17.20
		Loan Repaid	23.49	7.50	-	5.70
		Loan Payable	-	11.28	12.93	11.50
11	**Usha R Shah**					
		Interest Paid	0.79	0.79	0.07	-
		Loan Taken	24.83	18.70	1.35	4.00
		Loan Repaid	36.03	8.85	-	8.00
		Loan Payable	-	11.20	1.35	-
12	**Sandhya N Shah**					
		Interest Paid	0.85	0.82	0.48	0.16
		Loan Taken	16.09	14.06	4.03	4.07
		Loan Repaid	28.42	8.90	-	2.22
		Loan Payable	-	12.33	7.18	3.15
13	**Chamak J Parikh**					
		Interest Paid	0.98	-	0.93	-
		Loan Taken	13.00	-	18.00	-
		Loan Repaid	13.00	-	18.00	-
14	**Heta Tushar Parikh**					
		Interest Paid	0.02	0.00	0.01	0.00
		Loan Taken	0.60	-	-	-
		Loan Repaid	0.65	-	-	-
		Loan Payable	-	0.05	0.05	0.05
15	**Namita T Parikh**					
		Interest Paid	0.02	0.01	0.01	0.01
		Loan Taken	0.60	-	-	-
		Loan Repaid	0.70	-	-	-
		Loan Payable	-	0.10	0.10	0.10
16	**Jignash J. Kantawala**					
		Interest Paid	0.18	0.15	0.02	-
		Loan Taken	-	3.00	0.50	-
		Loan Repaid	3.50	-	-	-
		Loan Payable	-	3.50	0.50	-
17	**Lina Suketu Parikh**					
		Interest Paid	0.08	0.12	0.09	-
		Loan Taken	-	0.25	1.25	-
		Loan Repaid	1.50	-	-	-
		Loan Payable	-	1.50	1.25	-
18	**Sheetal Sundeep Parikh**					
		Interest Paid	0.08	0.14	0.11	-
		Loan Repaid	1.50	-	-	-
		Loan Taken	-	-	1.50	-
		Loan Payable	-	1.50	1.50	-
19	**Tushar R Parikh**					
		Interest Paid	0.02	0.11	0.09	-
		Loan Repaid	1.20	-	-	-
		Loan Taken	-	-	1.20	-
		Loan Payable	-	1.20	1.20	-
20	**Sundeep Parikh**					
		Interest Paid	0.06	0.06	-	-
		Loan Taken	-	1.20	-	-
		Loan Repaid	1.20	-	-	-
		Loan Payable	-	1.20	-	-

Notes to Restated Financial Information

(₹ in millions,unless otherwise stated)

Sr. No.	Entity Name	Type of Transactions	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
21	**Dipak Amarshi**					
		Interest Paid	0.95	1.65	1.05	0.81
		Loan Taken	2.35	1.55	5.85	13.65
		Loan Repaid	21.25	0.48	1.20	12.63
		Loan Payable	-	18.90	17.82	13.18
22	**Sharad Mehta**					
		Interest Paid	-	-	-	0.04
		Loan Repaid	-	-	-	3.00
23	**Raksha Bhisamkumar Gupta**					
		Interest Paid	-	-	-	0.01
		Loan Repaid	-	-	-	3.00
24	**Tushar N. Dharia (H.U.F.)**					
		Interest Paid	-	-	-	0.05
		Loan Repaid	-	-	-	0.50
25	**Hitesh Sheth**					
		Salary	2.31	-	-	-
		Salary payable	0.29	-	-	-
26	**Suvarnlata Gurav**					
		Salary	0.23	-	-	-
		Salary payable	0.05	-	-	-
27	**Friends Fab Form Private limited (Prop Of Consolidated Chemequip (MFR) Corpn)**					
		Purchase Equipments, including freight thereon	0.10	14.65	2.56	0.20
		Purchase of Stores & Consumables	0.22	0.04	-	-
		Purchase of MEIS License	1.26	0.44	6.81	2.14
		Advance for Equipments	-	-	7.86	1.73
		Creditors payable	0.12	-	-	-
28	**Dipnal Valves & Tubestos Co.(Firm)**					
		Purchase Equipments, including freight thereon	0.48	1.29	1.06	1.87
		Purchase of Stores & Consumables	0.16	1.16	0.27	0.17
		Creditors payable	0.26	0.06	0.10	0.60
29	**Heat Fabs (Firm)**					
		Purchase Equipments, including freight thereon	13.08	11.01	19.06	16.61
		Purchase of Stores & Consumables	3.05	1.88	1.68	2.72
		Professional Charges	-	0.00	-	-
		Creditors payable	2.26	3.22	2.35	-
30	**Sentinel Electric Co.(Firm)**					
		Purchase Equipments, including freight thereon	-	0.00	-	0.01
		Purchase of Stores & Consumables	-	0.06	0.07	0.12

c) Other Notes

No amount has been written off/back or provision made for loss allowance during the year in respect of related parties.

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

47. Following Ratios to be disclosed:-

Details	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019	Formula
(a) Current Ratio	1.00	0.89	1.03	1.12	Current Assets/Current Liabilities
(b) Debt-Equity Ratio	0.70	0.90	0.89	1.10	Total Debt/Total Equity
(c) Debt Service Coverage Ratio	1.85	1.09	2.38	2.70	Earnings Available for debt service/debt service
(d) Return on Equity Ratio	24.45	14.95	27.56	22.13	[Net profit after taxes - Preference Dividend (if any)]/Average shareholders equity
(e) Inventory turnover Ratio	4.38	6.26	5.85	6.54	Cost of good sold/[(Opening Inventory+ Closing Invetory)/2]
(f) Trade Receivables turnover Ratio	4.28	4.60	4.86	4.70	Turnover/[(Opening Recivables + Closing Recivables)/2]
(g) Trade payables turnover Ratio	2.99	3.22	3.01	4.09	Purchase/[(Opening payable + Closing payable)/2]
(h) Net capital turnover Ratio	456.17	(18.48)	94.63	23.10	Net Sales/Working Capital
(i) Net profit Ratio	7.99	4.21	7.11	4.76	Net profit after tax/Net sales
(j) Return on Capital employed	18.47	12.29	16.70	16.15	Earnings before interest & Taxes/ Capital Employed

Note on reason for change of more than 25% in Ratios :

(c) **Debt Service Coverage ratio :** This ratio has decreased from 2.38 for the year ended March 31,2020 to 1.09 for the year ended March 31, 2021 mainly due to higher operational cost and increase in Loan repayments.

This ratio has increased from 1.09 for the year ended March 31, 2021 to 1.85 for the period ended December 31, 2021 mainly due to decrease in operational cost and corresponding increase in earnings.

(d) **Return on Equity ratio** :This ratio has decreased from 27.56 for the year ended March 31,2020 to 14.95 for the year ended March 31, 2021 mainly due to higher operational cost and reduction in earnings.

This ratio has increased from 14.95 for the year ended March 31, 2021 to 24.45 for the period ended December 31, 2021 mainly due to decrease in operational cost and corresponding increase in earnings.

(e) **Inventory turnover ratio** :This ratio has decreased from 6.26 for the year ended March 31, 2021 to 4.38 for the period ended December 31, 2021 mainly due to increase in average Inventory.

(g) **Trade payables turnover ratio** :This ratio has decreased from 4.09 for the year ended March 31,2019 to 3.01 for the year ended March 31, 2020 mainly due to reduction in material cost.

(h) **Net capital turnover ratio** :This ratio has increased from 23.10 for the year ended March 31,2019 to 94.63 for the year ended March 31, 2020 mainly due to increase in revenue and decrease in working capital.
This ratio has decreased from 94.63 for the year ended March 31, 2020 to (18.48) for the year ended March 31, 2021 mainly due to decrease in working capital owing to increase in current liabilities.
This ratio has increased from (18.48) for the year ended March 31, 2021 to 456.17 for the period ended December 31, 2021 mainly due to increase in revenue and increase in working capital.

(i) **Net profit ratio** :This ratio has increased from 4.76 for the year ended March 31,2019 to 7.11 for the year ended March 31, 2020 mainly due to increase in revenue.
This ratio has decreased from 7.11 for the year ended March 31, 2020 to 4.21 for the year ended March 31, 2021 mainly due to increase in material cost.
This ratio has increased from 4.21 for the year ended March 31, 2021 to 7.99 for the period ended December 31, 2021 mainly due to increase in revenue and reduction in operational cost.

(j**) Return on Capital employed** :This ratio has decreased from 16.70 for the year ended March 31, 2020 to 12.29 for the year ended March 31, 2021 mainly due to decrease in earning before interest and tax and Increase in capital employed.
This ratio has increased from 12.29 for the year ended March 31, 2021 to 18.47 for the period ended December 31, 2021 mainly due to increase in earning before interest and tax.

Notes to Restated Financial Information

48. Additional Disclosures

A Property Plant and Equipment

Title deeds of Immovable Property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company** (Also indicate if in dispute)
For the period ended December 31, 2021	-	-	-	-	-	-
For the Year ended March 31, 2021	-	-	-	-	-	-
For the Year ended March 31, 2020	-	-	-	-	-	-
For the Year ended March 31, 2019	-	-	-	-	-	-

Details of Benami Property held

Description of item of property	Year of Acquisition'	Gross carrying value	Details of benefeciaries	If Property is in the boooks, reference to the item in the balance Sheet	If Property is not in the books, the fact shall be stated with reasons	Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the	Nature of proceedings, status of same and company's view on same.
For the period ended December 31, 2021	-	-	-	-	-	-	-
For the Year ended March 31, 2021	-	-	-	-	-	-	-
For the Year ended March 31, 2020	-	-	-	-	-	-	-
For the Year ended March 31, 2019	-	-	-	-	-	-	-

(vi) Disclosures in case of revaluation of Property Plant and Equipment.

Particulars	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	p
Effective Date of Revaluation	-	-	-	-
Whether an independent valuer was involved	-	-	-	-
The carrying amount that would have been recognised had the assets been carried under the cost model	-	-	-	-
The revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.	-	-	-	-

B Loans and Advances

The following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
(a)repayable on demand; or
(b)without specifying any terms or period of repayment

For the Period ended December 31, 2021

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

For the Year ended March 31, 2021

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

For the Year ended March 31, 2020

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

For the Year ended March 31, 2019

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and advances in the nature of loans
Promoter	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-

PRASOL CHEMICALS LIMITED (formerly known as Prasol Chemicals Private Limited)

Notes to Restated Financial Information

C Borrowings

Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used

Particulars	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;	-	-	-	-
(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed	-	-	-	-
Where any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof shall be disclosed.	-	-	-	-

D Relationship with Struck-off Companies

Name of struck off Company	Nature of transactions with struck-off Company	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019
-	Investments in securities	-	-	-	-
	Receivables	-	-	-	-
	Payables	-	-	-	-
	Shares held by Struck off Companies	-	-	-	-
	Other outstanding balances (to be specified)	-	-	-	-

E Details of undisclosed income

Items disclosed as income in tax assessments but not recorded in books

AY	For the Period ended December 31, 2021	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2019	Items disclosed as income in tax assessments but not recorded in the
-	-	-	-	-	

As per our attached report of even date

For and on behalf of the Board of Directors of
Prasol Chemicals Limited
(formerly known as Prasol Chemicals Private Limited)
CIN No.U99999MH1992PLC065026

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Sd/-
Himanshu Kishnadwala
Partner
Membership Number:

Sd/-
Nishith R. Shah
Executive Chairman
DIN:00381267

Sd/-
Gaurang N. Parikh
Managing Director
DIN:00190701

For S.V.Shanbhag & Co.
Chartered Accountants
Firm Registration No.:

Sd/-
Satish V Shanbhag
Partner
Membership
Place: Navi Mumbai
Date: 24 Feb 2022

Sd/-
Hitesh Sheth
Chief Financial Officer

Sd/-
Kiran Agrawal
Company Secretary

Place: Navi Mumbai
Date: 24 Feb 2022

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations, as derived from the Restated Financial Information, are given below:

(In ₹ million, unless otherwise stated)

Particulars	As at and for the nine months period ended December 31, 2021	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Restated profit after tax attributable to owners of the Company (A)	500.96	250.84	377.74	237.2
Weighted average number of shares outstanding during the period for basic EPS (*post split and bonus*) (B)	14.50	14.50	14.50	14.50
Weighted average number of shares outstanding during the period for diluted EPS (*post split and bonus*) (C)	14.50	14.50	14.50	14.50
Basic Earnings per share (in ₹) (D = A/B)	34.55	17.30	26.05	16.36
Diluted Earnings per share (in ₹) (E = A/C)	34.55	17.30	26.05	16.36
Restated net worth attributable to owners of the Company (A) (excluding non controlling interest)	2,295.19	1,802.14	1,553.93	1,187.54
Restated net profit after tax attributable to owners of the Company (B) (₹ in million)	500.96	250.84	377.74	237.2
Return on net worth (C = B/A*100) (%)	21.83	13.92%	24.31%	19.97%
Restated net worth attributable to owners of the Company (A)	2,295.19	1,802.14	1,553.93	1,187.54
Weighted average number of equity shares outstanding during the year (*post split and bonus*) (B)	14.50	14.50	14.50	14.50
Restated net asset value per equity share (in ₹) **(C = A/B)** (in ₹)	158.29	124.29	107.17	81.90
EBITDA Margin (EBITDA/ total income*100) (%)	14.18%	9.66%	11.76%	10.36%
EBIDTA	896.37	581.73	629.07	516.98

Notes:

(1) *The basic earnings per share, diluted earnings and net asset value per share has been computed on the basis of equity shares as on December 31, 2021. For details, please see Note 40 "Earnings per Share" to the Restated Financial Information.*

(2) *EBITDA is calculated as Earnings before interest, taxes, depreciation and amortization expenses calculated as restated profit after tax for the year, plus total tax expense, finance costs and depreciation and amortization expenses.*

In accordance with the SEBI IDCR Regulations, the audited financial statements of our Company as at and for the nine months period ended December 31, 2021 and each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the reports thereon; (the "**Audited Financial Statements**") are available at www.prasolchem.com/investor-relations/

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, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its 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 Company or any of its advisors, nor any 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 further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Transactions' read with SEBI ICDR Regulations for the nine month periods ended December 31, 2021, and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 as reported in the Restated Summary Statements, see "Restated Summary Statements – Note 46: *Related Party Relationships, Transactions and Balances*" on page 323.

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

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019.

We have included in this section a discussion of our financial statements on a restated basis.

*The Restated Financial Information included in this Draft Red Herring Prospectus are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "**Guidance Note**").*

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information included in this Draft Red Herring Prospectus on page 244*.*

Ind AS differs in certain respects from Indian GAAP, IFRS and US GAAP and other accounting principles with which prospective investors may be familiar.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 27 *and* 17*, respectively.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of the specialty chemicals industry in India" issued in April 2022 (the "**CRISIL Report**") exclusively prepared and issued by CRISIL, exclusively commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report which has been exclusively commissioned and paid for by our Company" on page 48. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

Overview

We are among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India *(Source: CRISIL Report).* Our products have end uses in four segments namely pharmaceuticals, agrochemicals, home and personal care and performance chemicals.

Set forth below is our product offering along with the revenue generated, in terms of percentage of the total income, from each of our product categories for the applicable periods:

Products	Revenue generation (as a % of the total income)			
	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Acetone based specialty chemicals	48.20%	43.75%	44.22%	47.53%
Phosphorous based specialty chemicals	28.50%	29.14%	26.52%	25.13%
Other specialty chemicals*	22.47%	26.02%	28.62%	27.23%

**Includes chemicals other than acetone and phosphorous based specialty chemicals for the purposes of customization of products.*

Since incorporation, we have significantly expanded our business and scale of operations and have grown from a small scale manufacturer to a large diversified specialty chemical player with a global footprint. We are a Government of India certified Two Star Export House Company with the global distribution network spread across 45 countries across Asia, North America and the European Union as on December 31, 2021. The revenue from export of our products for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019 accounted for ₹ 1,342.79 million, ₹ 1,387.20 million, ₹ 1,406.47 million and ₹ 1,245.00 million, resulting into 21.24%, 23.04%, 26.30% and 24.96%, of our total income, respectively for such periods.

We continue to enhance existing products and develop new specialty products based on market demand and customer requirements. For instance, as of December 31, 2021, we manufactured 75+ specialty products which formed part of our portfolio and we have 32 products which are in the pipeline. Our new products have enabled us to further diversify our customer base across various industries. We remain focused on 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 efforts, 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. Several acetone and phosphorus derivatives are included in our product portfolio, which are used in the synthesis of agrochemical active ingredients (technicals) and formulations (*Source: CRISIL Report*). For instance, we manufacture various grades of intermediates which can be used in the agrochemical industry wherein we control the process and tailor-make the chemical composition of such intermediates to suit the requirements of the customers for their end uses.

We benefit from our experience in the industry and long-standing relationships with the clients such as PI Industries Limited, Bayer CropScience Limited, Solvay Specialities India Private Limited, Proctor & Gamble, Dr. Reddy's Laboratories Limited, Alembic Pharmaceuticals Limited, Coromandel International Limited, Arkema, Lubrizol India Private Limited, UPL Limited, Olon Active Pharmaceutical Ingredients India Private Limited, MSN Laboratories Private Limited, Oriental Aromatics Limited, Asian Paints Limited, Indoco Remedies Limited, Lanxess India Private Limited, Croda India Company Private Limited, Bharat Rasayan Limited, Hubergroup India Private Limited, Indian Additives Limited, Privi Speciality Chemicals Limited, Supriya Lifescience Limited, NGL Fine – Chem Limited and Everest Organics Limited. As a manufacturer of speciality chemicals, it is imperative for our products to be approved by customers. Our name is included in the filings maintained by our clients which acts as a significant entry barrier. Further, being empaneled or being approved by our clients is a pre – requisite for supply of our products to such customers which also acts as a significant 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. During such period we have also collaborated on complex chemistries, aimed at product customization and innovation, in order to develop products based on our client's specific requirements. The benefits of such long standing relationships have also resulted in sustained growth and success.

Our Khopoli Facility located in Maharashtra, has been certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas. We are also awarded with the "Splash Award" for annual performance for the year 2017 – 2018 for being the most proactive and progressive importer of the year from All India Liquid Bulk Importers and Exporters Association and a "silver medal" as a recognition for our EcoVadis Rating from EcoVadis Sustainability Rating. Our facilities are also subject to periodic audits by our customers, which ensures that our customers are able to confirm the continuance of quality of our facility and processes.

Our facilities are focused on usage of environmentally efficient equipment with zero liquid discharge for minimal emissions and wastage. All processes at our facilities are undertaken with state-of-art engineering systems to minimize organic emissions. Further, we have recently tied – up with Institute of Chemical Technology and Technolab, to develop new products from waste streams.

Principal Factors Affecting Our Financial Condition and Results of Operations

Dependency on our end customers

We are among the leading forward integrated manufacturers of acetone derivatives and phosphorous derivatives in India *(Source: CRISIL Report).* Our products have end uses in four segments namely pharmaceuticals, agrochemicals, home and personal care and performance chemicals. The speciality chemicals that we manufacture are used in the pharmaceuticals, home and personal care, agrochemicals and performance chemicals industries. Therefore, our sales are dependent on 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, 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. Therefore, the success of our customers' business has a direct impact on our business and results of operations.

Price at which we procure our raw materials

The primary raw materials used in the manufacture of our products are acetone based derivatives and phosphorous based derivatives. In the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, cost of goods sold (which comprise inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year) represented 66.10%, 72.62%, 69.14% and 74.90%, respectively, of our total income. We do not have long term agreements for raw material procurement. We source our raw materials from a diversified base of vendors, primarily from multiple domestic suppliers, on monthly, bi monthly and quarterly basis. 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. Therefore, raw material cost is a critical component of our business and results of operations.

Government Regulations and Policies

Government regulations and policies of India as well as the countries from which where we import our raw materials can affect the availability of raw materials that are critical to our operations. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These regulations and policies and the tax regimes to which we are subject could change at any time, with little or no warning or time for us to prepare. Any changes in government policies relating to the chemicals sector or adverse changes in commodity prices could adversely affect our business and results of operations. Further, all our manufacturing facilities are located in Maharashtra and any significant changes in the policies of the state or local government or the Government of India, could require us to incur significant capital expenditure and change our business strategy.

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 Navi Mumbai, Maharashtra. The R&D Centre has been recognized by the Department of Science and Technology, Government of India. 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.

Impact of COVID – 19 pandemic

On account of the COVID – 19 pandemic, India had imposed a nationwide lockdown. Our production during the first quarter of financial year 2021 was affected due to the lockdown and our Khopoli Facility at Maharashtra was shut down from March 23, 2020 to March 31, 2020. Majority of the end-user industries resumed full production and demand improved during the second quarter of Fiscal 2021.

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India and globally. The demand for our products is dependent on and directly affected by factors affecting industries where our products are applied. Our customers are typically engaged in various industries, including agrochemicals, personal care, pharmaceuticals, specialty pigments and dyes, and polymer additives. Companies have faced disruptions in manufacturing and their supply chains. The disruptions in supply chain and logistics led to decreased inventory levels which in turn affected the supply of products to end consumers. In view of the fluidity of the situation and lack of visibility on the timeline for containment of the global pandemic, the recovery trajectory remains uncertain. We continue to closely monitor the impact that COVID – 19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID – 19 will have on us, our customers or suppliers in the future. To the extent, the COVID – 19 pandemic adversely affects us, it may also significantly increase the effect of the aforementioned factors affecting our results of operations. Our Company has made a detailed assessment of its liquidity position and of the recoverability of the Company’s assets based on internal and external information. Based on the performance of sensitivity analysis on the assumptions used and considering the current indicators of future economic conditions relevant to our Company’s operations (wherever applicable), our management expects to recover the carrying value of these assets. However, the impact of COVID – 19 pandemic may differ from those estimated.

Non – GAAP Measures

EBITDA, EBITDA margin, asset turnover ratio, debt to equity, net debt to EBITDA, ROCE, ROE, net working capital days, PAT and PAT margin (together, “**Non – GAAP Measures**”), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS. Further, these Non – GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS.

In addition, since these Non – GAAP Measures are not standardised terms, a direct comparison of these Non – GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP 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.

Basis of preparation of financial statements

The discussion and analysis of our financial condition and results of operations is based on the Restated Financial Information. The preparation of the Restated Financial Information requires 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 Information*" on page 244.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises revenue from operations and other income as mentioned below:

Revenue from operations

Our revenue from operations primarily includes revenue from sale of manufactured products in domestic as well as export markets, revenue from services provided in relation to job work and other operating revenue. Our sale of manufactured products include acetone based specialty chemicals, phosphorus based specialty chemicals and other specialty chemicals. Job – work services include processing the raw materials or semi – finished goods provided by the principal manufacturer and other operating revenue includes revenue from administration charges, commission, export incentives and other operating revenue.

Other income

Our other income primarily includes interest income and other non – operating income. Interest income includes interest on fixed deposits while other operating revenue includes receipt on insurance claims, net gain or loss on foreign currency transactions, sundry balances written back and other miscellaneous income which are not related to operations.

Expenses

Our total expenses include the below mentioned expenses:

Cost of goods sold

Our cost of goods sold which primarily includes the inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year.

Employee Benefit Expense

Our employee benefit expense primarily includes salaries and wages, contribution to provident and other funds, defined benefit plan expenses such as provision for contribution to gratuity fund and provision for leave encashment, staff welfare expenses, director's remuneration and perquisites and recruitment and training expenses.

Finance Costs

Our finance costs primarily include interest, other borrowing cost and bank charges.

Depreciation and Amortization Expense

Our depreciation and amortization primarily include depreciation of property, plant and equipment, amortization of intangible assets and amortization of leasehold land.

Other Expenses

Our other expenses primarily include manufacturing expenses, selling and distribution expenses, establishment expenses and auditor’s remuneration.

Tax Expense

Our tax expenses primarily include current tax, deferred tax and adjustment for tax of earlier years.

Results of Operations based on Restated Financial Information

The following table sets forth select financial data from our restated statement of profit and loss for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods.

Particulars	**Nine-month period ended December 31, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	(₹ in million)	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**	**(₹ in million)**	**(% of Total Income)**
Revenue from Operations	6,269.32	99.17%	5,955.40	98.90%	5,312.40	99.35%	4,983.00	99.88%
Other income	52.53	0.83%	65.96	1.10%	34.75	0.65%	5.74	0.12%
Total Income	6,321.85	100.00%	6,021.36	100.00%	5,347.15	100.00%	4,988.74	100.00%
Expenses:								
Cost of materials consumed	3,231.46	51.12%	3,513.50	58.35%	2,475.50	46.30%	2,761.46	55.35%
Purchase of stock-in-trade	1,066.45	16.87%	1,082.43	17.98%	1,134.98	21.23%	1,184.78	23.75%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(82.48)	(1.30)%	(217.18)	(3.61)%	117.41	2.20%	(207.71)	(4.16)%
Employee Benefits Expenses	209.77	3.32%	188.65	3.13%	217.85	4.07%	158.84	3.18%
Finance costs	95.00	1.50%	116.88	1.94%	86.35	1.61%	56.32	1.13%
Depreciation and Amortization Expenses	129.06	2.04%	126.95	2.11%	104.04	1.95%	78.51	1.57%
Other Expenses	1,000.28	15.82%	872.23	14.49%	772.34	14.44%	574.40	11.51%
Total Expenses	5,649.54	89.37%	5,683.46	94.39%	4,908.47	91.80%	4,606.59	92.34%
Profit before Tax	672.31	10.63%	337.90	5.61%	438.68	8.20%	382.15	7.66%
Tax Expense:								
Current Tax	151.77	2.40%	50.5	0.84%	78	1.46%	119.35	2.39%
Deferred Tax	23.43	0.37%	36.56	0.61%	(17.06)	(0.32)%	25.60	0.51%
Adjustment for Tax of earlier years	(3.85)	(0.06)%	-	-	-	-	-	-
Profit for the year	500.96	7.92%	250.84	4.17%	377.74	7.06%	237.20	4.75%

Nine month period ended December 31, 2021

Income

Our total income was ₹ 6,321.85 million for the nine month period ended December 31, 2021, which comprised of:

Revenue from operations

Our revenue from operations was ₹6,269.32 million, which was 99.17% of our total income for the nine month period ended December 31, 2021. Such revenue from operations primarily comprised sale of products, revenue from services and other operating revenue.

Other Income

Our other income was ₹52.53 million, which was 0.83% of our total income for the nine month period ended December 31, 2021. Such other income primarily comprised interest income and other non-operating income.

Expenses

Our total expenses were ₹5,649.54 million for the nine month period ended December 31, 2021, which primarily comprised of:

Cost of goods sold

Our cost of goods sold comprises of the inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year were ₹ 4,178.61 million, which was 66.10% of our total income for the nine month period ended December 31, 2021. Such cost of goods sold primarily comprised of inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year.

Employee Benefit Expense

Our employee benefit expense was ₹209.77 million, which was 3.32% of our total income for the nine month period ended December 31, 2021, which primarily comprised of salaries, wages and directors' remuneration.

Finance Costs

Our finance costs were ₹95.00 million, which was 1.50% of our total income for the nine month period ended December 31, 2021. Such finance cost primarily comprised of interest paid, other borrowing costs and bank charges.

Depreciation and Amortization Expense

Our depreciation and amortization expense was ₹129.06 million, which was 2.04% of our total income for the nine month period ended December 31, 2021. Such depreciation and amortization expense primarily comprised of depreciation of property, plant and equipment, amortization of intangible assets and amortization of leasehold land.

Other Expenses

Our other expenses were ₹1,000.28 million, which was 15.82% of our total income for the nine month period ended December 31, 2021. Such other expenses primarily comprised of manufacturing expenses, selling and distribution expenses, establishment expenses and auditor's remuneration.

Tax Expense

Our tax expenses were ₹171.35 million, which was 2.71% of our total income for the nine month period ended December 31, 2021. Such tax expenses primarily comprised current tax, deferred tax and adjustment for tax of earlier years.

Profit

For the reasons mentioned above, our profit for the nine month period ended December 31, 2021 was ₹500.96 million, which was 7.92% of our total income for this period.

Fiscal 2021 Compared to Fiscal 2020

Income

Our total income increased by 12.61% to ₹6,021.36 million in Fiscal 2021 from ₹5,347.15 million in Fiscal 2020, primarily on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 12.10% to ₹5,955.40 million in Fiscal 2021 from ₹5,312.40 million in Fiscal 2020. While the quantity of specialty products sold by us had reduced due to the lockdown implemented by the GoI on account of the COVID – 19 pandemic, our overall revenue increased due to increase in the selling price of the specialty products manufactured by us. Further, our Company commenced operations at the Mahad Facility at Maharashtra with effect from March 2021 on account of which the overall revenue of our Company increased.

Other income

Our other income increased by 89.83% to ₹65.96 million in Fiscal 2021 from ₹34.75 million in Fiscal 2020, primarily due to gain on foreign exchange fluctuations. Foreign exchange fluctuation occur due to the difference between the prevailing foreign currency rate at the time of booking orders, prevailing foreign currency rate at a particular Fiscal and the exchange rate at the time of receipt payment in foreign currency. The increase was on account of increase in the volume of goods exported, increase in the price of the products sold overseas and effectively managing the number of imports and exports that to be covered with the foreign exchange reserves.

Expenses

Our total expenses increased by 15.79% to ₹5,683.46 million in Fiscal 2021 from ₹4,908.47 million in Fiscal 2020, which primarily comprised of:

Cost of goods sold

Our cost of goods sold which comprises inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year, increased by 18.26% to ₹ 4,372.47 million for Fiscal 2021 from ₹ 3,697.21 million for Fiscal 2020. Such increase in cost was due to an overall increase in purchase cost of raw materials and stock – in – trade.

Employee Benefit Expense

Our employee benefit expense decreased by 13.40% to ₹188.65 million in Fiscal 2021 from ₹217.85 million in Fiscal 2020 primarily due to decrease in the sales volume on account of COVID – 19 pandemic and a corresponding decrease in the payment of incentives linked to such sales volume and paid to the employees of the Company.

Finance Costs

Our finance costs increased by 35.36% to ₹116.88 million in Fiscal 2021 from ₹ 86.35 million in Fiscal 2020, primarily due to increase in the short term borrowings of the Company from ₹ 203.93 million in Fiscal 2020 to ₹ 771.95 million in Fiscal 2021.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 22.02% to ₹126.95 million in Fiscal 2021 from ₹104.04 million in Fiscal 2020, primarily due to addition in property, plant and equipment during this period, particularly the new manufacturing facility at Mahad, which commenced commercial operations in Fiscal 2021.

Other Expenses

Our other expenses increased by 12.93% to ₹872.23 million in Fiscal 2021 from ₹772.34 million in Fiscal 2020, primarily due to increase in the manufacturing expenses incurred by us on account of commencement of operations of our Mahad Facility in Fiscal 2021.

Tax Expense

Our tax expenses increased by 42.86% to ₹87.06 million in Fiscal 2021 from ₹60.94 million in Fiscal 2020. In Fiscal 2020, our tax expenses were lower on account of cascading impact of the reduction in the corporate tax rate.

Profit for the Year

As a result of the foregoing factors, our profit for the year decreased by 33.59% to ₹250.84 million in Fiscal 2021 from ₹377.74 million in Fiscal 2020.

Fiscal 2020 Compared to Fiscal 2019

Income

Our total income increased by 7.18% to ₹5,347.15 million in Fiscal 2020 from ₹4,988.74 million in Fiscal 2019, primarily on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased marginally by 6.61% to ₹5,312.40 million in Fiscal 2020 from ₹4,983.00 million in Fiscal 2019, primarily due to increase in the quantity of products sold, partially offset by decrease in the average selling price.

Other income

Our other income increased to ₹34.75 million in Fiscal 2020 from ₹5.74 million in Fiscal 2019, primarily on account of maturity and redemption of the keyman insurance policy availed by the Directors of the Company.

Expenses

Our total expenses increased by 6.55% to ₹4,908.47 million in Fiscal 2020 from ₹4,606.59 million in Fiscal 2019, which primarily comprised of:

Cost of goods sold

Our cost of goods sold which comprises inventories at the beginning of the year, purchase of raw materials, purchase of traded goods, purchase of packing materials and inventories at the end of the year, decreased marginally by 1.06% to ₹ 3,697.21 million in Fiscal 2020 from ₹ 3,736.72 million in Fiscal 2019. While the average cost of raw materials and stock – in – trade had decreased during this period, it was partially offset by increase in the quantity of purchase of stock – in – trade.

Employee Benefit Expenses

Our employee benefit expenses increased by 37.15% to ₹217.85 million in Fiscal 2020 from ₹158.84 million in Fiscal 2019, primarily due to increase in the employee headcount, annual increments and performance bonus. The employee headcount was increased on account of the initiation of business expansion at Mahad Facility undertaken by our Company.

Finance Costs

Our finance costs increased by 53.33% to ₹86.35 million in Fiscal 2020 from ₹56.32 million in Fiscal 2019, primarily due to interest costs which were being previously capitalised on completion of setting up or expansion of manufacturing facilities.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 32.52% to ₹104.04 million in Fiscal 2020 from ₹78.51 million in Fiscal 2019, primarily due to addition in property, plant and equipment for business expansion.

Other Expenses

Our other expenses increased by 34.46% to ₹772.34 million in Fiscal 2020 from ₹574.40 million in Fiscal 2019, primarily due to increase in manufacturing expenses and selling and distribution expenses.

Tax Expense

Our tax expenses decreased by 57.96% to ₹60.94 million in Fiscal 2020 from ₹144.95 million in Fiscal 2019, primarily due to cascading impact of the reduction in the corporate tax rate.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 59.25% to ₹377.74 million in Fiscal 2020 from ₹237.20 million in Fiscal 2019.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As of December 31, 2021, we had ₹107.82 million in cash and cash equivalents, ₹2.39 million as bank balances, ₹819.41 million in short term borrowings and ₹508.31 million in long terms borrowings (excluding deferred payment liabilities). We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Draft Red Herring Prospectus.

In Fiscal Years 2019, 2020 and 2021, and the nine month period ended December 31, 2021, our total liabilities based on our Restated Financial Information amounted to ₹ 2,933.18 million, ₹ 3,082.50 million, ₹ 3,695.08 million and ₹ 3,516.26 million, respectively.

Our current credit ratings have been assigned by Acuite Ratings & Research who have assigned ACUITE A+/Stable to our fund-based working capital limits, ACUITE A1+ to our non-fund based working capital limits and ACUITE A+/Stable to our term loan.

Cash Flows based on Restated Financial Information

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

	Nine month period ended December 31, 2021	Fiscal		
		2021	2020	2019
	(in ₹ million)			
Net cash generated from operating activities	304.84	201.30	858.85	528.15
Net cash (used in)/generated from investing activities	(251.54)	(469.56)	(566.61)	(965.76)
Net cash (used in)/generated from financing activities	(56.77)	141.75	(282.36)	521.35
Cash and cash equivalents at the end of the year	**107.82**	**63.63**	**131.55**	**121.67**

Operating Activities

Net cash flows from operating activities was ₹ 304.84 million for the nine month period ended December 31, 2021. While our restated profit before tax was ₹667.54 million, we had cashflow before changes in working capital of ₹834.37 million primarily due to adjustments for depreciation and amortisation of ₹129.06 million, loss on sale of fixed assets of ₹1.68 million, finance cost of ₹84.62 million, and remeasurement of net defined benefit plans of ₹3.73 million, partially offset by adjustment on account of interest income of ₹0.20 million, net (gain) / loss on foreign exchange fluctuation of ₹47.66 million, sundry balances written back of ₹3.81 million, and provision for doubtful debts of ₹0.59 million. Our working capital adjustments for the nine month period ended December 31, 2021 primarily consisted of increase in trade receivables and other receivables of ₹12.94 million, increase in inventories of ₹286.50 million, decrease in other current financial assets of ₹145.18 million, decrease in trade payables of ₹147.28 million, decrease in other Financial liabilities of ₹38.11 million, decrease in other current liabilities of ₹19.69 million, and decrease in other provisions of ₹35.99 million. Our cash generated from operations was ₹ 439.04 million, adjusted by payment of taxes of ₹ 134.20 million.

Net cash flows from operating activities was ₹ 201.30 million for the Fiscal 2021. While our restated profit before tax was ₹340.17 million, we had cashflow before changes in working capital of ₹513.89 million primarily due to adjustments for depreciation and amortisation of ₹126.95 million, finance cost of ₹105.21 million, provision for doubtful debts of ₹1.88 million, and remeasurement of net defined benefit plans of ₹0.52 million, partially offset by adjustment on account of interest income of ₹0.98 million, net (gain) / loss on foreign exchange fluctuation of ₹58.59 million, and sundry balances written back of ₹1.27 million. Our working capital adjustments in Fiscal 2021 primarily consisted of increase in trade receivables and other receivables of ₹327.23 million, increase in inventories of ₹225.42 million, increase in other current financial assets of ₹31.20 million, increase in trade payables of ₹277.22 million, decrease in other financial liabilities of ₹35.30 million, increase in other current liabilities of ₹73.52 million, and increase in other provisions of ₹9.64 million. Our cash generated from operations was ₹ 255.13 million, adjusted by payment of taxes of ₹ 53.83 million.

Net cash flows from operating activities was ₹ 858.85 million for the Fiscal 2020. While our restated profit before tax was ₹438.68 million, we had cashflow before changes in working capital of ₹622.88 million primarily due to adjustments for depreciation and amortisation of ₹104.04 million, finance cost of ₹76.71 million, sundry balances written back of ₹4.50 million, and remeasurement of net defined benefit plans of ₹0.24 million, partially offset by adjustment on account of interest income of ₹1.29 million. Our working capital adjustments in Fiscal 2020 primarily consisted of increase in trade receivables and other receivables of ₹72.11 million, decrease in inventories of ₹93.12 million, increase in other non current financial assets of ₹39.99 million, decrease in other current financial assets of ₹18.21 million, increase in trade payables of ₹184.38 million, increase in other Financial liabilities of ₹188.43 million, decrease in other current liabilities of ₹23.35 million, and increase in other provisions of ₹4.77 million. Our cash generated from operations was ₹ 976.34 million, adjusted by payment of taxes of ₹ 117.49 million.

Net cash flows from operating activities was ₹ 528.15 million for the Fiscal 2019. While our restated profit before tax was ₹382.15 million, we had cashflow before changes in working capital of ₹509.02 million primarily due to adjustments for depreciation and amortisation of ₹78.51 million, loss on sale of fixed assets of ₹0.08 million, finance cost of ₹46.42 million, and sundry balances written back of ₹4.15 million, partially offset by adjustment on account of interest income of ₹1.96 million, and remeasurement of net defined benefit plans of ₹0.33 million. Our working capital adjustments in Fiscal 2019 primarily consisted of decrease in trade receivables and other receivables of ₹8.29 million, increase in inventories of ₹213.57 million, increase in other non current financial assets of ₹8.07 million, increase in other current financial assets of ₹40.84 million, increase in trade payables of ₹261.93 million, increase in other Financial liabilities of ₹64.19 million, increase in other current liabilities of ₹36.79 million, and increase in other provisions of ₹3.16 million, Our cash generated from operations was ₹ 620.90 million, adjusted by payment of taxes of ₹ 92.75 million.

Investing Activities

Net cash flows used in investing activities was ₹ 251.54 million for the nine month period ended December 31, 2021, primarily comprising of purchase of fixed assets of ₹251.74 million, offset by interest received of ₹0.20 million.

Net cash flows used in investing activities was ₹ 469.56 million in Fiscal 2021, primarily comprising of purchase of fixed assets of ₹471.81 million, offset by proceeds from sale of property, plant and equipment of ₹1.27 million, and interest received of ₹0.98 million.

Net cash flows used in investing activities was ₹ 566.61 million in Fiscal 2020, primarily comprising of purchase of fixed assets of ₹591.32 million, offset by proceeds from sale of property, plant and equipment of ₹0.20 million, interest received of ₹1.29 million, and capital advance of ₹23.22 million.

Net cash flows used in investing activities was ₹ 965.76 million in Fiscal 2019, primarily comprising of purchase of fixed assets of ₹959.90 million and capital advance of ₹7.86 million, offset by proceeds from sale of property, plant and equipment of ₹0.04 million, and interest received of ₹1.96 million.

Financing Activities

Net cash flows used in financing activities was ₹ 56.77 million for the nine month period ended December 31, 2021, primarily comprised paid finance costs of ₹84.62 million and dividend paid of ₹4.35 million, offset by proceeds from long-term loans of ₹32.20 million.

Net cash flows generated from financing activities was ₹ 141.75 million in Fiscal 2021, primarily comprising of proceeds from long-term loans of ₹251.31 million, offset by finance costs paid of ₹105.21 million and dividend paid of ₹4.35 million.

Net cash flows used in financing activities was ₹ 282.36 million in Fiscal 2020, primarily comprising of finance costs paid of ₹76.71 million, dividend paid of ₹8.70 million, and repayment of long-term loans of ₹196.95 million.

Net cash flows generated from financing activities was ₹ 521.35 million in Fiscal 2019, primarily comprising of proceeds from long-term loans of ₹572.11 million, offset by finance costs paid of ₹46.42 million and dividend paid of ₹4.34 million.

Indebtedness

As of December 31, 2021, we had long terms borrowings (excluding deferred payment liabilities) of ₹508.31 million and working capital borrowings of ₹819.41 million, with a debt to equity ratio* of 0.70 as per the Restated Financial Information. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further information on our agreements governing our outstanding indebtedness, see "*Financial Indebtedness*" on page 349.

**Debt comprises of long term borrowings and short term borrowings.*

Contractual Obligations

The table below sets forth our contractual obligations as of December 31, 2021 as per the Restated Financial Information. These obligations primarily relate to our trade payables.

	Total	Less than 1 year	1 year to 5 years	More than 5 years
	(₹ in million)			

	Total	Less than 1 year	1 year to 5 years	More than 5 years
	(₹ in million)			
Borrowings	1,327.72	819.42	482.55	25.76
Trade Payables	1,419.15	1,411.80	7.35	0.00
Other financial liabilities	299.81	299.81	0.00	0.00
Total	3,046.68	2,531.03	489.90	25.76

Contingent Liabilities and Off-Balance Sheet Arrangements

The following table sets forth the principal components of our contingent liabilities as of December 31, 2021 as per the Restated Financial Information:

	As of December 31, 2021
	(₹ in million)
Customs Act	5.08
DRI Mumbai and Ahmedabad	8.61
Income tax liability that may arise in respect of matters in appeal	2.64
Guarantees excluding financial guarantees	16.32
Total	**32.65**

Our Company does not have any off – balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Restated Financial Information – Note* 46" on page 323.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options.

Credit Risk

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect our Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs. Our Company uses derivative to manage market risk. Generally, our Company seeks to apply hedge accounting to manage volatility in profit or loss.

Currency Risk

Our Company is exposed to currency risk on account of its operations in other countries. The functional currency of our Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, our Company uses both derivative instruments, *i.e.*, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities. Our Company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables/receivables.

Interest Rate Risk

It is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on our Company's cash flows as well as costs. Our Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

Liquidity Risk

Our Company follows a conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. Our Company has an overdraft facility with banks to support any temporary funding requirements. Our Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of plant and equipment. In Fiscal Years 2019, 2020 and 2021, and the nine month period ended December 31, 2021, our capital expenditures (comprising of payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances) were ₹ 1,005.33 million, ₹ 609.19 million, ₹ 495.89 million and ₹ 251.45 million, respectively as per our Restated Financial Information.

Significant Economic Changes

Other than as described above under "– *Principal Factors Affecting Our Financial Condition and Results of Operations*," to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

There have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 27. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID - 19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

See "*Risk Factors – The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition, and results of operations*" for risks of the COVID-19 outbreak on our operations and financial condition; and see "*Our Business – Impact of the COVID -19 pandemic*" for more details regarding the impact of COVID-19 on our operations.

New Products or Business Segments

Other than as described in "*Our Business*" on page 192 of this Draft Red Herring Prospectus, wherein the Company operates in a single business segment there are no new products or business segments in which we operate.

Seasonality of Business

Our business is not subject to seasonal variations.

Suppliers or Customer Concentration

Except as disclosed in "*Risk Factors – 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*" on page 34, we are not dependent on major customers or suppliers for a significant portion of our revenue.

Qualification Included by Auditors

There are no qualifications included in the Restated Financial Information.

Significant Developments after December 31, 2021

No circumstances have arisen since the date of the Restated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations, trading or profitability, or the value of our assets or our ability to pay our liabilities within the next twelve months. See "*Risk Factors – The extent to which the outbreak of COVID – 19 could have an impact on our business, results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted"* for risks of the COVID-19 pandemic on our operations and financial condition.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Financial Information as at December 31, 2021, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 335, 244, and 27, respectively.

(in ₹ million)

Particulars	Pre-Offer as at December 31, 2021	As adjusted for the Offer #
Total Borrowings		
Current borrowings(1)(2)	819.41	[●]
Non-Current borrowings (1)(2)	508.31	[●]
Current maturities of long term debt(1)(2)	272.36	[●]
Total borrowings (A)	1,600.08	[●]
Total Equity		
Share Capital(1)(2)(3)	29	[●]
Other Equity(1)(2)	2,266.19	[●]
Non-controlling interest(1)(2)	-	[●]
Total equity (B)	2,295.19	[●]
Total capitalisation (A+B)	3,895.27	[●]
Ratio: Non-Current borrowings (including current maturity) /Total equity	0.34	[●]
Ratio: Total Borrowings/Total equity	0.70	[●]

(1) *Derived from the Restated Financial Information.*

(2) *The corresponding post capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence the same have not been provided in the above statement.*

(3) *Pursuant to a Shareholders' resolution dated December 8, 2021, equity shares of face value of ₹10 each of our Company were sub-divided into equity shares of face value of ₹2 each. Consequently, the issued and subscribed share capital of our Company comprising 29,00,000 equity shares of face value of ₹10 each was sub-divided into 1,45,00,000 equity shares of face value of ₹2 each*

FINANCIAL INDEBTEDNESS

Our Company has availed credit facilities in their ordinary course of business for purposes such as, *inter alia*, meeting their working capital requirements and general corporate purposes.

For further details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of our Board*" on page 222.

As on December 31, 2021, the aggregated outstanding borrowings of our Company amounted to ₹ 2,792.92 million, and a brief summary of such borrowings is set forth below:

Category of borrowing	Sanctioned amount (₹ million)	Outstanding amount as on December 31, 2021 (₹ million) #
Secured		
Working capital facilities		
Fund based	2,148.15	796.09
Non-fund based	827.00	1,192.83
Term loans	1,860.00	780.67
Interest accrued but not due	-	-
Unsecured		
Working Capital facilities		
Fund based	-	-
Non-Fund based	-	-
Term Loan	140.00	23.33
Total	**4,975.15**	**2,792.92**

#*As certified by JMT & Associates, Chartered Accountants, by way of certificate dated* April 13, 2022.

For disclosure of borrowings as of March 31, 2021, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, see "*Financial Statements*" on page 244.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

1. ***Interest/ Commission:*** The interest rate for our overdraft / cash credit / working capital facilities is typically the base rate of a specified lender plus a specified spread per annum. The spread varies amongst different facilities and typically ranges from one-year MCLR minus 0.10% per annum to MCLR plus 3.70% per annum and also typically ranges from 0.25% to 0.50%. In case of term loan, the interest rate ranges from 6.10% per annum to 9.65% per annum.

2. ***Tenor:*** The tenor of our working capital facilities is typically for 12 months. In case of term loans, the period ranges from 3 years to 7 years.

3. ***Security:*** The facilities are typically secured by creation of a charge on the current assets, movable assets and all types of immovable assets of our Company.

4. ***Repayment****:* Our working capital facilities, are typically repayable on demand and term loan facilities are repayable as per the repayment schedules.

5. ***Restrictive covenants*:**

   As per the terms of our facility agreements, certain corporate actions for which our Company require prior written consent of the lenders, include:

   (a) undertaking any scheme of amalgamation, compromise, reconstruction, consolidation, demerger or merger;

(b) change in promoter shareholding/ change in promoter directorship, resulting in change in management control;

(c) effecting any material change in the constitution or management of our Company;

(d) changing the capital structure of our Company;

(e) amending the Memorandum of Association and Articles of Association;

(f) undertaking an expansion of any current business, or taking up an allied line of business;

(g) declaration of dividends or distribution of profits except where the instalments of principal and interest payable to a particular lender is being paid regularly and there are no irregularities in relation thereto;

(h) Breach of any covenant, undertaking or conditions set out in the facility documents or breach of agreement, representation or warranty which in the opinion of the bank is prejudicial to their interests; and

(i) Raising any loans/availing any facility/ies against the assets offered as security as facility/facilities of the bank.

6. ***Events of default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, amongst others:

(a) Payment default;

(b) Breach of terms of facility documents;

(c) Bankruptcy, insolvency, dissolution;

(d) Jeopardising the security created;

(e) Appointment of a receiver in respect of the property/asset;

(f) Change in control of our Company;

(g) Liabilities exceeds the assets;

(h) Utilization of the loan for any purpose other than the purpose for which it is applied;

(i) Misleading information and representations;

(j) Default under any other financing arrangements of our Company; and

(k) any other occurrence or existence of one or more events, conditions or circumstances (including any change in law), which in opinion of the lender, could have a material adverse effect.

7. ***Consequences of occurrence of events of default:*** Borrowing arrangements entered into by our Company contain standard consequences of events of default, including, amongst others:

(a) Termination of facilities;

(b) Suspension of access to facilities;

(c) Enforcement of security;

(d) Appointment of nominee directors / observers;

(e) Appointment of consultants; and

(f) Review of management set-up of our Company.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows*" on page 41.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings (ii) actions taken by statutory and/or regulatory authorities; (iii) outstanding claims related to direct or indirect taxes; (iv) other pending litigation/ arbitration as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, Promoters or Directors (collectively the "**Relevant Parties**"); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals, including any outstanding action.*

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our Board dated April 9, 2022:

Any outstanding litigation / arbitration proceedings (other than as covered in points (i) to (iii) above) involving our Company and Promoters shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:

a.) The aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds 1% of the profit after tax of our Company, as per the latest fiscal year in the Restated Financials Statements i.e. ₹ 2.51 million; or

b.) wherein a monetary liability is not determinable or quantifiable for any other outstanding proceeding, including any litigation under the Insolvency and Bankruptcy Code, 2016, as amended, or which does not fulfil the financial threshold as specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, position or reputation of our Company.

Any outstanding litigation/arbitration proceedings (other than as covered under (i) - (iii) above) involving any of the Directors shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus if the outcome of such litigation (irrespective of any amount involved in such litigation) could have a material adverse effect on the position, business, operations, prospects or reputation of the Company.

It is clarified that for the purposes of the above, pre-litigation notices received or sent by the Relevant Parties or Group Company from third parties (other than notices issued by statutory/regulatory authorities or tax authorities or notices threatening criminal action) have not and shall not, be considered as material litigation until such time that the Relevant Parties or Group Company, as the case may be, are impleaded as a defendant/s in proceedings before any judicial / arbitral forum. Further, FIRs initiated against the Company, its Directors, and its Promoters, shall be disclosed in this Draft Red Herring Prospectus.

We have disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the Materiality Policy, creditors of our Company to whom amounts due by our Company is equal to or in excess of 5% of the trade payables of the Company as at the end of the latest period included in the Restated Financial Information i.e. ₹ 70.96 million, would be considered as material creditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that particular litigation only.

A. Litigation involving our Company

Outstanding criminal litigation

Outstanding criminal litigation filed by our Company

1. Our Company has filed a criminal complaint dated March 20, 2020 before the Court of Metropolitan Magistrate, Mumbai under Sections 138 and 142 of the Negotiable Instruments Act, 1881, against M/s Varahi Pharma Private Limited and others, customers of our Company, for dishonor of cheque dated December 07, 2019 for ₹ 0.42 million. The matter is presently pending.

2. Our Company has filed a criminal complaint dated April 4, 2019 before the Metropolitan Magistrate, Mumbai ("**Court**") under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, against M/s J K Coil Coatings Private Limited and its directors Sanjiv Kumar Thakur, Surjit Bhojsingh Ailsinghani, Ajay Prem Sagar ("**Accused**") for dishonor of cheque dated January 10, 2019 for ₹ 1.09 million. In an order dated December 7, 2021 ("**Order**"), the Court, *inter alia*, directed the Accused to pay an amount of ₹1.70 million jointly or severally to our Company. Thereafter, Sanjiv Kumar Thakur has filed an appeal dated December 22, 2021 before the Court of Sessions, Greater Mumbai against the Order. Further, Surjit Bhojsingh Ailsinghani and Ajay Prem Sagar have filed an appeal dated January 5, 2022 before the Court of Sessions, Greater Mumbai against the Order. The matters are presently pending.

Other pending material litigation involving our Company

Civil proceedings by our Company

1. Our Company has filed a summary suit dated October 12, 2017 before the Court of Civil Judge (Senior Division), Thane under Order XXXVII Rule 2 of the Code of Civil Procedure, 1908, against M/s Mosar Baer India Limited, customer of our Company for recovery of dues amounting to ₹ 4.40 million together with an interest of ₹ 3.22 million, aggregating to ₹ 7.62 million along with future interest and cost. The matter is presently pending.

2. Our Company has filed a consumer complaint dated February 18, 2021 ("**Complaint**") before the District Consumer Disputes Redressal Commission at South Mumbai under Section 34(1) of Consumer Protection Act, 2019, against The New India Assurance Company Limited ("**Opponent**"), for rejection of our Company's insurance claim amounting to ₹ 8.53 million by New India Insurance. The Opponent has filed a reply to the Complaint on August 24, 2021. The matter is presently pending.

3. Our Company has filed a summary suit dated July 30, 2016 ("**Suit**") before the Court of Civil Judge (Senior Division), Thane under Order XXXVII, Rule 2 of the Code of Civil Procedure, 1908, against M/s Synthetic Colour Chem Industries ("**Defendant**") for recovery of dues amounting to ₹ 2.75 million along with future interest in relation to supply of di acetone alcohol and isophorone by our Company to the Defendant. The Suit was decreed with costs on August 10, 2017 and the Defendant was directed to pay ₹ 2.74 million along with interest at the rate of 18 percent per annum from the date of filing till actual realization and ₹ 0.02 million for cost of legal proceedings. However, the Defendant has failed to pay the sum. Our Company has filed an application for execution of the decree on March 21, 2018. The matter is currently pending.

4. Our Company has filed a summary suit dated February 4, 2015 ("**Suit**") before the Court of Civil Judge (Senior Division), Thane ("**Court**") under Order XXXVII, Rule 2 of Code of Civil Procedure, 1908, against Jasmine Chemicals, proprietor Dhawal Shah, ("**Defendant**"), customer of our Company, for recovery of dues of ₹ 4.78 million together with an interest at the rate of 18 percent per annum. The Suit was decreed on December 17, 2018 and the Defendant was directed to pay ₹ 3.85 million along with interest at the rate of 24 percent per annum from March 28, 2014 till realization of the amount ("**Order**"). Thereafter, the Defendant filed a miscellaneous application ("**Application**") on February 8, 2019 before the Court to set aside the Order. Our Company has filed a reply to the Application on September 25, 2019. The matter is presently pending.

B. Litigation involving our Promoters

Outstanding criminal litigation

Outstanding criminal litigation against our Promoters

1. The State of Maharashtra, at the instance of the Assistant Director, Industrial Safety and Health, Mumbai has filed a complaint dated August 1, 2017 before the Court of Metropolitan Magistrate, Dadar, Mumbai against one of our promoters, Suketu Navinchandra Parikh, ("**Accused**") for violation of Rule 73 (F)(a), Rule 115(1) and 115(2) of the Maharashtra Factories Rules, 1963 as the Accused had failed to report an accident that took place at a factory of which he is the occupier. The matter is presently pending.

2. A charge sheet under section 173 of the Code of Criminal Procedure, 1973 has been filed on November 12, 2020, against one of our promoters, Pankil Nishith Dharia for offense committed under section 279 of the Indian Penal Code, 1860 read with 250-A of the Maharashtra Motor Vehicles Rules, 1989. The matter is currently pending.

C. Litigation involving our Directors

Other than as disclosed in "*Outstanding Litigation and Material Developments - Litigation involving our Promoters - Outstanding criminal litigation"* on page 353, there are no outstanding litigations involving our Directors.

D. Tax proceedings against our Company, Promoters and Directors

Set out below are details of claims relating to direct and indirect taxes involving our Company, Promoters and Directors:

Nature of case	Number of cases	Demand amount involved (₹ million)*
Our Company		
Direct tax	1	2.64
Indirect tax	4	13.69
Promoters		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Directors (other than Promoters)		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

E. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company, shall be considered to be material ("**Material Creditors**") for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is equal to, or in excess of, 5% of the trade payables of our Company as at the end of the latest period in the Restated Financial Information. Accordingly, a creditor has been considered 'material' by our Company if the amount due to such creditor exceeds ₹ 70.96 million as on December 31, 2021. The details of our outstanding dues to material creditors, micro, small and medium enterprises, and other creditors (including capital creditors), as of December 31, 2021 are as follows:

Particulars	Number of creditors	Amount involved (in ₹ million)
Micro, small and medium enterprises*	70	31.01
Material Creditor(s)	6	824.29
Other creditors#	794	642.31
Total	**870**	**1497.61**

* *As defined under the Micro, Small and Medium Enterprises Development Act, 2006.*
 # Includes goods receipt / invoice receipt of ₹ 15.02 million, where goods have been received but the other supporting documents are yet to be received from the vendor, for which the number of cases has been taken as NIL.
As certified by JMT and Associates, Chartered Accountants, by way of certificate dated April 13, 2022.

For further details about outstanding overdues to Material Creditors as on December 31, 2021, along with the name and amount involved for each such Material Creditor, see https://prasolchem.com/investor-relations

It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, https://prasolchem.com/ would be doing so at their own risk.

F. Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 335, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, or any circumstances, which materially and adversely affect, or are likely to affect, in the next 12 months, trading or profitability of our Company or the value of its assets or its ability to pay liabilities.

GOVERNMENT AND OTHER APPROVALS

Set out below is an indicative list of all material consents, licenses, registrations, permissions and approvals obtained from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.

We have also set forth below (i) material approvals that have been applied for but not yet received; (ii) material approvals that have expired for which renewal applications have been made; (iii) material approvals that are required but for which no applications have been made; and (iv) material approvals that have expired but for which no renewal applications have been made. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 206.

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 358 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 211.

Material approvals in relation to our business and operations

Business related approvals

1. Factories licenses issued by the Directorate of Industrial Safety and Health, Government of Maharashtra, under the Factories Act, 1948 to enable our Company to operate the Khopoli Facility and Mahad Facility.

2. Certificates for use of boilers at our Khopoli Facility and Mahad Facility have been issued by the office of the Deputy Director of Steam Boilers, Maharashtra, under Section 7/8 of the Boilers Act, 1923 to enable our Company to operate boilers for its operations within its premises.

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 (iii) under the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016, with respect to our Khopoli Facility and Mahad Facility.

4. License to purchase, possess, store, or consume acetic anhydride at our Khopoli Facility issued by Zonal Director of Narcotics Control Bureau under the Narcotics Drugs and Psychotropic Substances Act, 1985.

5. Certificate of Importer-Exporter Code issued by the office of the Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992.

6. Registration for diesel generating set at our Khopoli Facility and Mahad Facility issued by the Industries, Energy, and Labour Department, Government of Maharashtra under the Bombay Electricity Duty Rules, 1962.

7. License for storage of hydrogen gas in cylinder at our Khopoli Facility issued by Joint Chief Controller of Explosives under the Gas Cylinders Rules, 2016.

8. License for storage of chlorine gas in cylinder at our Mahad Facility issued by Joint Chief Controller of Explosives under the Gas Cylinders Rules, 2016.

9. License to import and store Petroleum (Class A) at our Khopoli Facility issued by Chief Controller of Explosives under the Petroleum Act, 1934.

10. License to import and store Petroleum (Class A and Class C) at our Mahad Facility issued by Deputy Controller of Explosives under the Petroleum Act, 1934 read with Petroleum Rules, 2002.

11. License to store compressed (liquid nitrogen) gas in pressure vessels at our Khopoli Facility and Mahad Facility issued by the Chief Controller of Explosives and Joint Chief Controller of Explosives, respectively under the Indian Explosives Act, 1884 and Static and Dynamic Pressure Vessels (Unmerged) Rules, 2016.

12. Bureau Veritas Certification for our Khopoli Facility with ISO 9001: 2015, ISO 14001:2015, and ISO 45001:2018, for manufacturing and dispatching of (i) phosphorus-based chemicals and its derivatives; and (ii) acetone-based chemicals and its derivatives.

13. Registration-cum-Membership certificate, issued by the Federation of Indian Export Organisations, established by the Ministry of Commerce and Industry, Government of India.

14. Industrial Entrepreneurs Memorandum in relation to our manufacturing facilities, issued by Ministry of Commerce and Industry, Government of India.

15. Advance Authorisation Licence for our Khopoli Facility, issued by Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India.

16. Certificates of verification with respect to weights and measures in relation to our Khopoli Facility under the Legal Metrology Act, 2009 issued by the Inspector of Legal Metrology, Karjat (Raigad).

17. Certificate of registration issued by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

18. Certificate of membership of Saykha CETP, issued by Deputy Executive Engineer, Gujarat Industrial Development Corporation.

19. Approval of building plan at Saykha Industrial Estate, issued by Executive Engineer, Gujarat Industrial Development Corporation.

20. Occupancy certificate, issued by Executive Engineer, Maharashtra Industrial Development Corporation.

21. Drainage Completion Certificate, issued by Executive Engineer, Maharashtra Industrial Development Corporation.

22. Environment clearance for setting up pesticide-specific intermediates and synthetic organic chemicals unit at Mahad Facility issued by Ministry of Environment, Forest and Climate Change.

23. Environment clearance for expansion of synthetic organic chemicals manufacturing facility, at our Khopoli Facility, issued by Ministry of Environment, Forest and Climate Change under the Environment Impact Assessment Notification, 2006.

24. Final Charging Permission for 5.5 MW Co-generation Power Plant issued by the Industries, Energy and Labour Department, Government of Maharahstra.

Labour/employment related approvals

1. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

2. Registration for employees' insurance issued by the Regional Office, Employees State Insurance Corporation of different states in India under the Employees' State Insurance Act, 1948.

3. Certificate of registration under the Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act 2017.

4. Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970, for our Khopoli Facility, issued by the Assistant Commissioner of Labour.

Tax-related approvals

1. Permanent Account Number issued by the Income Tax Department, Government of India, under the Income-tax Act, 1961 is AAACP2389N.

2. Tax Deduction and Collection Account Number issued by the Income Tax Department under the Income-tax Act, 1961 is MUMP06256F.

3. Goods and services tax registration issued by the Government of India, under the Goods and Service Tax Act, 2017 is 27AAACP2389N1ZW for Maharashtra and 24AAACP2389N2Z1 for Gujarat.

4. Registration as an employer issued by the Professional Tax Office under the Maharashtra State Tax on Professions, Trades, Ceiling and Employments Act, 1975 is 27500001031P.

Material approvals that have been applied for but not yet received:

Nature of approval	Issuing authority	Date of acknowledgment of renewal application/date of the renewal application
Application for consumption and storage of sulphur at our Mahad Facility	District Magistrate, Raigad	February 10, 2021
Application for consumption and storage of sulphur at our Khopoli Facility	District Magistrate, Raigad	April 5, 2021
No objection certificate	Gujarat Pollution Control Board	December 20, 2021

Material approvals that have expired for which renewal applications have been made:

Nil

Material approvals that are required but for which no applications have been made:

Nil

Material approvals that have expired but for which no renewal applications have been made:

Nil

Intellectual property rights

For details, see "*Our Business-Intellectual Property*" on page 204.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated February 24, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting dated March 3, 2022, and this DRHP has been approved by our Board pursuant to the resolution passed at its meeting held on April 9, 2022, and by the IPO Committee by way of its resolution dated April 13, 2022. Our Board of Directors has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution passed at its meeting dated April 9, 2022. For further details, see "*The Offer*" on page 58.

The Selling Shareholders have consented to participate in the Offer for Sale by way of their respective consent letters. For further details, see "**Annexure A**" .

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Selling Shareholders, Promoters, Promoter Group, Directors, the persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

None of our Directors are, in any manner, associated with the securities market. Further, there is no outstanding action initiated by SEBI against any of our Directors in the past five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated 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 ₹150 million, calculated on a restated 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 ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth and net tangible assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

Derived based on the Restated Financial Information

(₹ in million)

Particulars (Restated Basis)	Financial year ended		
	2021	2020	2019
Restated net tangible assets (A)[(1]	1,799.26	1,548.42	1,181.54

Particulars (Restated Basis)	Financial year ended		
	2021	2020	2019
Restated monetary assets (B)[(2)]	63.63	131.55	121.67
% of monetary assets to net tangible assets (%)(B/A*100)	3.54%	8.50%	10.30%
Restated operating profit[(3)]	388.82	490.28	432.73
Average operating profit [(4)]	437.28		
Net worth/ equity attributable to owners of the Company[(5)]	1,802.14	1,553.93	1,187.54

(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 prescribed under section 133 of the Companies Act, 2013;*

(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) *Restated operating profit means restated profit before profit before finance costs, other income, exceptional item and tax expenses;*

(4) *The average operating profit for the above financial years is ₹437.28 million, based on the Restated Financial Information; and*

(5) *As per Regulation 2(1)(hh) of the SEBI ICDR Regulations, 'net worth' means the 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 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.*

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Promoters, members of the Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters or Directors have been identified as a wilful defaulter or fraudulent borrowers (as defined in the SEBI ICDR Regulations);

(iv) None of our Promoters and Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) 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;

(vi) Our Company, along with the Registrar to the Offer, has entered into a tripartite agreement dated January 7, 2022 with NSDL, for dematerialization of the Equity Shares. Our Company, along with the Registrar to the Offer, has also entered into a tripartite agreement dated December 15, 2021 with CDSL, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters and Selling Shareholders are in dematerialised form; and

(viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of filing of this Draft Red Herring Prospectus

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, as the entire objects of the Offer are proposed to be financed from the Offer proceeds.

Our Company will ensure compliance with the conditions specified in Regulation 7(2) and 7 (3) of the SEBI ICDR Regulations, to the extent applicable. Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

The Selling Shareholders confirm that the Offered Shares have been held by them in compliance with Regulation 8 of the SEBI ICDR Regulations.

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 BOOK RUNNING LEAD MANAGER,

BEING JM FINANCIAL LIMITED AND DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. 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, JM FINANCIAL LIMITED AND DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*), HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 13, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

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.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, BRLMs

Our Company, our Directors 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.prasolchem.com, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

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

Bidders will be required to confirm and will be deemed to have represented to our Company, the 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 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 Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, their directors and officers, 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 Promoters, and their directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholders

The Selling Shareholders 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.prasolchem.com, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by the Selling Shareholders in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not 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. The Selling Shareholders and their representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Equity Shares in the Offer shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

Eligibility and Transfer Restrictions

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic 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 equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) 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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered in the Offer in any jurisdiction. Invitations to subscribe to or purchase the Equity Shares in the Offer shall 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.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S.

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it did not purchase the Equity Shares offered in the Offer as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Agree to indemnify and hold our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Acknowledge that our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

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 shall be 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 the NSE

As required, a copy of this Draft Red Herring Prospectus shall be 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 proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the Stock Exchanges. Application 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, Banker(s) to the Company, Joint Statutory Auditors, Independent Chartered Engineer, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, the BRLMs, the Registrar to the Offer, lenders of our Company (wherever applicable), CRISIL, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and consents in writing of the Monitoring Agency, the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Banks, 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 to the RoC.

Expert to the Offer

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

Our Company has received written consents each dated April 13, 2022 from C N K & Associates LLP and S. V. Shanbhag & Co. respectively, Chartered Accountants, to include their names as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of (i) their examination report dated February 24, 2022 relating to the Restated Financial Information; and (ii) the statement of special tax benefits dated April 13, 2022 in this Draft Red Herring Prospectus; and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consents thereof do not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated April 13, 2022 from JMT and Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered accountants in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated Aditya Saxena, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date 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 issue during the last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 75, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage by our Company for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed promoter of our Company

As on the date of this Draft Red Herring Prospectus our Company does not have a corporate promoter or a subsidiary.

Price information of past issues handled by the BRLMs

A. JM Financial Limited

1. Price information of past issues 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.	AGS Transact Technologies Limited#	6,800.00	175.00	January 31, 2022	176.00	-42.97% [-3.05%]	Not Applicable	Not Applicable
2.	CMS Info Systems Limited#	11,000.00	216.00	December 31, 2021	218.50	21.99% [-1.81%]	25.35% [0.74%]	Not Applicable
3.	Data Patterns (India) Limited*	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	13.56% [1.42%]	Not Applicable
4.	C.E. Info Systems Limited#	10,396.06	1,033.00	December 21, 2021	1,394.55	70.21% [6.71%]	48.48% [2.74%]	Not Applicable
5.	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	1.02% [-4.25%]	Not Applicable
6.	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	32.91% [-1.91%]	Not Applicable
7.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	20.78% [-2.32%]	Not Applicable
8.	FSN – E-Commerce Ventures Limited*[7]	53,497.24	1,125.00	November 10, 2021	2018.00	92.31% [-2.78%]	68.46% [-4.46%]	Not Applicable
9.	Aditya Birla Sun Life AMC Limited*	27,682.56	712.00	October 11, 2021	715.00	-11.36% [0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
10.	Krsnaa Diagnostics Limited*[8]	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	-27.73% [9.30%]	-32.63% [4.90%]

Source: www.nseindia.com and www.bseindia.com

 # BSE as Designated Stock Exchange

** NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
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 Rs. 100 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *Not Applicable – Period not completed*

2. Summary statement of price information of past issues handled by JM Financial Limited

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	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

		(` Millions)	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%
2022-2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	-	2	-	4	1	2
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

B. DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*

1. Price information of past issues (during the current Fiscal and two Fiscals preceding the current financial year) handled by DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*:

Sr. No.	Issue name	Issue size (₹ millions)	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	CMS Info Systems Limited(2)	11,000.00	216.00	December 31, 2021	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	Not applicable
2	Metro Brands Limited(2)	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	Not applicable
3	C.E. Info Systems Limited(2)	10,396.06	1033.00	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	Not applicable
4	Star Health and Allied Insurance Company Limited(1)	60,186.84	900.00@	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	Not applicable
5	Go Fashion (India) Limited(1)	10,136.09	690.00	November 30, 2021	1,310.00	+59.75%, [+1.36%]	+32.91%, [-1.91%]	Not applicable
6	Krsnaa Diagnostics Limited(1)	12,133.35	954.00*	August 16, 2021	1,005.55	-9.42%, [+4.93%]	-27.73%, [+9.30%]	-32.63%, [+4.90%]
7	Windlas Biotech Limited(2)	4,015.35	460.00	August 16, 2021	439.00	-18.02%, [+4.79%]	-34.42%, [+9.18%]	-37.01%, [+4.62%]
8	Glenmark Life Sciences Limited(2)	15,136.00	720.00	August 6, 2021	751.10	-6.38%, [+7.10%]	-12.94%, [+10.12%]	-20.67%, [+8.45%]
9	Laxmi Organic Industries Limited(1)	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	+294.50%, [+21.45%]
10	Indian Railway Finance Corporation Limited(1)	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]

Source: www.nseindia.com and www.bseindia.com
**A discount of INR 93 per equity share was provided to eligible employees bidding in the employee reservation portion.*
@ A discount of INR 80 per equity share was provided to eligible employees bidding in the employee reservation portion.
(1) NSE was the designated stock exchange for the said issue.
(2) BSE was the designated stock exchange for the said issue.

Notes:

(a) Issue size derived from prospectus / basis of allotment advertisement, as applicable
(b) Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
(d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
(e) The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
(f) Not applicable – Period not completed

2. Summary statement of price information of past issues handled by DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*

Financial Year	**Total no. of IPOs**	**Total funds raised (₹ in 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%**
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	8	136,678.74	-	-	4	2	-	2	-	2	1	-	-	-
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	1	1	-

Source: www.nseindia.com & www.bseindia.com

Notes:

a. *The information is as on the date of this offer document*
b. *The information for each of the financial years is based on issues listed during such financial year.*
c. *Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available*

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLMs	Website
1.	JM Financial Limited	www.jmfl.com
2.	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)	www.damcapital.in

Stock Market Data of Equity Shares

This being an initial public offer 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.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 2021 Circular, 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. Subsequently, SEBI vide its circular dated June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

Per the March 2021 Circular read with the June 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Banks to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

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
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 BRLMs 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 Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, 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 unblocking intimation/ refund intimation, as applicable 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.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks 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 our 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 unblocking intimation/ refund intimation, as applicable, 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.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and will accordingly be in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES, immediately after filing the Draft Red Herring Prospectus.

Our Company has not received any investor grievances in the last three years prior to the filing 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. 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.

Our Company has appointed Kiran Agrawal, as the Company Secretary and Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see "*General Information*" on page 65.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder 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. For further details, see "*Our Management*" on page 215. 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.

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 Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, transferred and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, Offer for Sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses between our Company and the Selling Shareholders, see "*Objects of the Issue*" on page 128.

Ranking of the Equity Shares

The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and shall rank pari passu with the existing Equity Shares in all respects 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 "*Description of Equity Shares and Terms of Articles of Association*" on page 396.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. All dividends, if any, declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 243 and 396, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹2 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company, and the Selling Shareholders in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Mumbai editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective 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 on the respective 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 Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations, our AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 396.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated January 7, 2022 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated December 15, 2021 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see "*Offer Procedure*" on page 378.

Joint Holders

Subject to the provisions of our AoA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*– Bid/Offer Programme*" on page 371.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the 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 the 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/alienation 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/ cancel nomination in the manner prescribed. 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 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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, the 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 of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve 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. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also promptly 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) filing of the Prospectus 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 determines 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.

Bid/ Offer Programme

BID/ OFFER OPENS ON	[●][(1)]
BID/ OFFER CLOSES ON	**[●]**[(2)(3)]

(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. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*
(2) *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.*
(3) *UPI mandate end time and date shall be at 12:00 pm on [●].*

An indicative timetable in respect of the Offer is set out below:

Event	**Indicative Date**
BID/ OFFER CLOSING DATE	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

***In case of (i) 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 for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹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 in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB 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 March 2021 Circular, as amended pursuant to June 2021 Circular 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, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

While the 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 other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. 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 BRLMs 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 non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST)
Bid/ Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 12.00pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, 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. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. 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 will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period.

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.

None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or 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.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price..

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs, for reasons to be recorded in writing, may 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 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 terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the applicable provisions of the SEBI ICDR Regulations, and the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall forthwith, but no later than within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

In the event of an under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.

Further, the Selling Shareholders and our Company and 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 the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. 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

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any, on Transfer and Transmission of Equity Shares and on their consolidation or splitting

Except for lock-in of the pre-Offer equity share capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 75, and except as provided under the AoA, there are no restrictions on transfer and transmission of the Equity Shares. or on their consolidation or splitting, except as provided in the AoA. For further details, see "*Description of Equity Shares and terms of Articles of Association*" on page 396.

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.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of face value of ₹2 each for cash at a price of up to ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating up to ₹[●] million comprising a Fresh Issue of [●] Equity Shares aggregating up to ₹ 2,500 million and an Offer for Sale of up to 9,000,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company.

Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
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 Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion (i.e. excluding the Anchor Investor Portion) shall 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 Net QIB Portion (i.e. excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
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 available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of 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	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size,	Proportionate, subject to the minimum Bid Lot Allotment to each Retail Individual Bidder 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 is any, shall be allotted on a proportionate basis. For further details see, "*Offer Procedure*" on page 378.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
		subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" beginning on page 378.	
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	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 so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion) subject to the subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply[3] [4]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), FVCIs, VCFs, AIFs, multi-lateral and bilateral financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, 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 NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	**In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form **In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4]		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

* *Assuming full subscription in the Offer*

(1) 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, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) 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 under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) 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 or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. 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 Net QIB Portion.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. This Offer is being made 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. 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, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which (i) one third shall be reserved for applicants with application size of more than ₹0.2 million and up to ₹1 million, and (ii) two-thirds shall be reserved for applicants with application size of more than ₹ 1 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer.

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 369.

(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. 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. 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, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 383 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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.

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 shall be a 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.*

Additionally, all 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/Applicants; (v) Issuance of 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 the Companies Act relating to punishment for fictitious applications; (xii) mode of unblocking intimation/ refund intimation, as applicable; (xiii) interest in case of delay in Allotment or refund; and (xiv) disposal of application.

*SEBI vide the UPI Circulars, has introduced 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 Bidders through intermediaries from January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, 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, as amended by circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 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 SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

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.

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. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company, the Selling Shareholders, the members of 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 the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

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 allocated on a proportionate basis to QIBs, provided that 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, of which one-third 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 shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, (a) not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which (i) one third shall be reserved for Bidders with Bids exceeding ₹0.2 million and up to ₹1 million, and (ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1 million provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders) and (b) not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Our Company, in consultation with the Book Running Lead Managers, may consider undertaking a Pre-IPO Placement. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the Book Running Lead Managers, and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

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 of Bidders at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by the Selling Shareholders shall be in proportion to the Offered Shares by such Selling Shareholders.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for RIBs through the UPI Mechanism), as applicable, 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 RIBs as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, the UPI Mechanism 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 ASBA) for applications by RIBs through Designated 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 Mechanism in three phases in the following manner:

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 till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

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 three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper; and (iii) Mumbai editions of [●], a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located) , on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

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 banks 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 the relevant Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA 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 Bidders 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. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FVCIs, FPIs, and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, 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 Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Banks 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 Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks 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.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters and Promoter Group of the Company, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and persons related to Promoters/Promoter Group/ the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion 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 the 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.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor; (ii) any “person related to the Promoters / Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters or Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) 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 (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and the members of the Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the 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 can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

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 NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB 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 ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of RIBs using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. 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 non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment. 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 further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 395.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, are required to be made in the individual name of the *karta*. The Bidder/Applicant 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/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital (on a fully diluted basis). Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be 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 the 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 (Blue 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 to the Offer 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.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.
FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only if it complies with the following conditions: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and (iv) 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 (i) to (iv)); 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.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI 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.

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).

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. 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, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names 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 will be rejected. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 395. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) 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; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

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 SEBI VCF Regulations 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.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs or FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

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 the 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 the 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 the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, 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 lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, 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 (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) 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. The bank is required to submit a time-bound action plan for disposal of such shares (in this sub clause (ii)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of 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 SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) 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, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

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 a 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 the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, NBFC-SI, insurance companies, insurance funds set up by the army, navy or air force of 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 law) 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 in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the 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 the terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

2) 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.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.

5) Our Company and the Selling Shareholders, in consultation with the BRLMs will finalize 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.

6) 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 will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) 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 Offer Price.

9) 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10) Neither the (a) the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document and "*Restrictions on Foreign Ownership of Indian Securities*" on page 395.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, 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 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 law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

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, the Selling Shareholders, 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 this Draft 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.

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 Bidders 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. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

2. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. 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. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. 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;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, 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, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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, 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;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. 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;

19. 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;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website and is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form;

27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

28. 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; and

29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) 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 www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

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 for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, 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. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. 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 a Bidder;

10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

11. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. 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;

18. 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);

19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

21. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;

22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not Bid for Equity Shares in excess of what is specified for each category;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

25. 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 Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

28. Do not Bid if you are an OCB;

29. 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 RIBs using the UPI Mechanism;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

31. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Bidders using the UPI Mechanism); and

32. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see "*General Information*" on page 65.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. Further, Bid cum Application Forms are liable to be rejected if they do not comply with the criteria set out under "*Restrictions on Foreign Ownership of Indian Securities*" on page 395.

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 March 2021 Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, *"General Information – Details of the Book Running Lead Managers"* on page 66.

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 to the Offer, 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 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 Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non-Institutional 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 Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. The Allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in Non-Institutional Bidders' category, and the remaining Equity Shares, if any, shall be Allotted on a proportionate basis in accordance with the SEBI ICDR Regulations..

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 CAN 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. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) 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 Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper; and (iii) Mumbai edition of [●], a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we shall 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.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper; and (iii) Mumbai edition of [●], a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 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.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if 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. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- 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;

- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;

- 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;

- 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;

- except for (i) the Pre-IPO Placement, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake that:

- the Equity Shares offered for sale by the Selling Shareholders are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;

- They shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

- They are the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by them pursuant to the Offer for Sale;

- They shall not have recourse to the proceeds of the Offer, which shall be held in escrow in their favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received;

- They 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 Equity Shares offered by them pursuant to the Offer; and

- They shall 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 the Equity Shares held by them and being offered pursuant to the Offer.

Utilisation of Gross Proceeds

Our Board certifies that:

All monies received out of the Fresh Issue component 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.

Details of all utilised monies out of the Fresh Issue shall be disclosed and continued to be disclosed till any part of the proceeds of the Fresh Issue remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised or invested.

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

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 Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see "*Key Regulations and Policies*" on page 206.

As per the current 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.

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 FDI policy and transfer does not attract the provisions of the 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. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on pages 382 and 383, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 378.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, 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 of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments 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 of India. 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

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 their 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 VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

TABLE APPLICATION

1. (*1*) The regulations contained in the Table marked ‘F’in Schedule I to the Companies Act, 2013 shall apply to the Company, except in so far as the same are expressly modified in these Articles or by the said Act.

   (*2*) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitutions, modifications and variations thereto by Resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

INTERPRETATION

(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or reenactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

(b) “Articles” means these articles of association of the Company or as altered / replaced / substituted from time to time.

(c) ”Board of Directors” or “Board”, means the collective body of the Directors of the Company.

(d) “The Company” means **Prasol Chemicals Limited***

(e) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(f) “Seal” means the Common Seal for the time being of the Company.

2. (*i*) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, or any statutory modifications thereof in force at the date at which these regulations becomes binding on the Company.

Share capital and variation of rights

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of Memorandum of Association.

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may , by sending a letter of offer, issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in any 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 considerations as the Board deems fit. 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 the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

6. The Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other applicable laws:

   (a) Equity Share Capital:

i. with voting rights; and / or

ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference Share Capital

7. (*i*) 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 within such other period as the conditions of issue shall be provided ----

(a) one or more certificates for all his shares without payment of any charges; or

(b) several certificates in marketable lots, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(*ii*) Every such certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary, wherever the Company has appointed a Company Secretary.

(*iii*) In respect of any 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.

8. (*i*) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such fees for each certificate as may be fixed by the Board, but not exceeds Rs. 50/-. 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.

(*ii*) The provisions of Articles (7) and (8) shall *mutatis mutandis* apply to any other securities including debentures (except where the Act otherwise requires) of the company.

9. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

10. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(*ii*)The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub- section (6) of section 40.

(*iii*)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.

11. (*i*) 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 section 48, 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.

(*ii*)To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

12. 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 share ranking *pari passu* therewith.

13. Subject to the provisions of section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

14. 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.

15. (i) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to persons who, at the date of offer, are holders of equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions:

    (a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days, or such lesser number of days as may be prescribed under the Act, and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

    (b) 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 (a) shall contain a statement of this right; and

    (c) after 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 may dispose of them in such manner which is not disadvantageous to the members and the Company.

    (ii) A further issue of shares may be made to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (i), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

16. Nothing in sub-Article 15 (i) (b) above shall be deemed to extend the time within which the offer should be accepted; or 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.

17. Nothing in Article 15 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.

18. 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 required by applicable laws, be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person

19. Notwithstanding anything contained in Article 15 above, where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion; provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within 60 (sixty) days from the date of communication of such order, appeal to the National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

20. 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.

Lien

21. (*i*) The company shall have a first and paramount lien --

(*a*) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

(*b*) on all shares (not being fully paid shares) standing registered in the name of a each person (whether solely or jointly with others), for all monies presently payable by him or his estate to the company; and

(c) 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.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(*ii*) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares. Fully paid-up shares shall be free from all liens and that in the case of partly paid shares, the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

(*iii*) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

The company may sell, in such manner as the Board thinks fit, any shares on which the company has alien; Provided that no sale shall be made –
(*a*) unless a sum in respect of which the ~~lien~~ exists is presently payable; or

(*b*) until the expiration of 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.

22. (*i*) To give effect to any such sale, the Board may authorize 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.

23. (*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.

Calls on shares

24. (i) The Board may, from time to time, make calls upon the members in respect of any monies 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.

(*ii*) Each member shall, subject to receiving at least 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.

(*iii*) A call may be revoked or postponed at the discretion of the Board.

25. The option or right to make calls on shares shall not be given to any person, except with the approval of the Company in the general meeting.

26. 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.

27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

28. (*i*) 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 thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(*ii*) The Board shall be at liberty to waive payment of any such interest wholly or in part.

29. (*i*) Any sum which by the terms of 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(*ii*) In case of non-payment of such sum, all the relevant provisions of these regulations 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.

30. The Board —

(a) may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and

(b) upon all or any of the monies so paid or satisfied in advance, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance. Provided that the 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.

(c) The members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would, but for such payment, become presently payable.

31. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transfer on shares

32. The instrument of transfer of any share in the company shall be in writing and all provisions of the Act and statutory modifications thereof shall be duly complied with in respect of all transfer of shares and registrations thereof. The instrument of transfer shall be executed by or on behalf of both the transferor and transferee.

(ii) 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.

(iii) Any member desiring to sell any of his shares must notify the Board of Directors of the number of shares, the fair value and the name of the proposed transferee, and the Board of Directors must offer to the other shareholders the shares offered at the fair value, and if the offer is accepted, the shares shall be transferred to the acceptor; and if the shares or any of them are not so accepted within one month from the date of notice to the Board of Directors the members proposing transfers shall, at any time within three months, afterwards, be at liberty, subject to specified and relevant Article hereof, to sell and transfer the shares to any person at the same or at higher price. In case of any dispute, regarding the fair value of the shares it shall be decided and fixed by the Company's Auditor whose decision shall be final.

33. The Board may, subject to the right of appeal conferred by section 58 decline to register —

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

34. The Board may decline to recognise any instrument of transfer unless ---

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) 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

(c) the instrument of transfer is in respect of only one class of shares.

35. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, 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 thirty days at any one time or for more than forty-five days in the aggregate in any year.

36. A common form of transfer shall be used in case of transfer of shares.

37. 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.

Transmission of shares

38. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either ---

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) 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.

40. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(*ii*) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(*iii*) All the limitations, restrictions and provisions of these regulations 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.

41. 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 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have complied with.

42. Subject to the provisions of the Act, these Articles, the Securities (Contracts) Regulation Act, 1956, as amended, the Board may, at their own absolute and uncontrolled discretion, and by giving reasons, decline to register or acknowledge any transfer of shares, whether fully paid or not and the right of refusal, and the right of refusal shall be affected by the fact that the proposed transferee is already a member of the Company, but in such cases the Board shall within one month from the date on which the instrument of transfer was lodged with the company send notice of the refusal to register such transfer to the transferee and the transferor.

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. Transfer of shares/debentures, in whatever lots, shall not be refused.

Forfeiture of shares

43. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

44. The notice aforesaid shall ---

    (a) name a further day (not being earlier than the expiry of 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`

    (b) 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 shall be liable to be forfeited.

45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

46. (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

    (*ii*) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

47. (*i*) 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 him to the company in respect of the shares.

    (*ii*) 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.

48. (*i*) 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 persons claiming to be entitled to the share;

    (*ii*) 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 disposed of;

    (*iii*) The transferee shall thereupon be registered as the holder of the share; and

    (*iv*) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

49. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

50. 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.

51. Subject to the provisions of section 61, the company may, by ordinary resolution, --

    (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

52. Where shares are converted into stock, ---

(*a*) 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.

(*b*) 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.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

53. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalisation of profits

54. (*i*) The company in general meeting may, upon the recommendation of the Board, resolve ---

(a) 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

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(*ii*) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards ---

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

55. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall---

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(*ii*) The Board shall have power -

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to 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;

(*iii*) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

56. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

Dematerialisation of shares

57. The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event 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.

58. The Company shall cause to be kept a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any Country outside India a branch Register of beneficial owners residing outside India.

General meetings

59. All general meetings other than annual general meeting shall be called extraordinary general meeting. Any General Meeting may be called by giving to the members clear Seven days notice or a shorter notice, if consent thereto is given by members in accordance with the provisions laid down under section 101 and 102 of the Companies Act, 2013.

60. (*i*) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(*ii*) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

61. (*i*) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(*ii*) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

62. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

63. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

64. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

65. On any business at any general meeting in case of an equality of votes whether on a show of hands or electronically or on a poll the chairperson shall have a second or casting vote.

Adjournment of meeting

66. (*i*) The Chairperson 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 and from place to place.

(*ii*) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(*iii*) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(*iv*) 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.

Voting rights

67. Subject to any rights or restrictions for the time being attached to any class or classes of shares, ---

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

68. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

69. (*i*) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(*ii*) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

70. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, 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.

71. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

72. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

73. (*i*) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(*ii*) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

74. 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 of the company not less than 48 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 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

75. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

76. 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 adjourned meeting at which the proxy is used.

Board of Directors

77. Unless otherwise determined by the Company in general meeting the numbers of directors shall not be less than 2(two) and shall not be more than 15 (fifteen).

78. (*i*) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(*ii*) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them —

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

79. The Board may pay all expenses incurred in getting up and registering the company.

80. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

81. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

82. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

83. (i) Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

(*iii*) The Directors need not hold any qualification shares in the Company.

Power of Board

84. The management of the Company shall be vested in the Board and the Board may exercise all such powers and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Proceedings of the Board

85. (*i*) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(*ii*)The Chairperson or any one Director with the previous consent of the Chairperson, if any may, or the Company secretary on the direction of a director shall, at any time, summon a meeting of the Board.

(*iii*)The quorum for a Board Meeting shall be as provided in the Act.

(*iv*)The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as my be prescribed by the Rules or permitted under law.

86. (*i*) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(*ii*) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

87. 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.

88. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

89. (i) 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.

(*ii*) 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.

(*iii*) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or telecommunication, as may be prescribed by the Riles or permitted under law.

90. (*i*) A committee may elect a Chairperson of its meetings.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 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.

91. (*i*) A committee may meet and adjourn as it thinks fit.

(*ii*) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

92. 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 there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

93. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

94. Subject to the provisions of the Act, ---

(*i*) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(*ii*) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

95. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

96. (*i*) The Board shall provide for the safe custody of the seal.

(*ii*) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one directors and of the secretary or such other person as the Board may appoint for the purpose; and such director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

97. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

98. Subject to the provisions of section 123, 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.

99. (*i*) 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 equalizing 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, thinks fit.

(*ii*) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

100. (i) 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.

(*ii*) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(*iii*) 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.

101. 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 of the company.

102. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque 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, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

103. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

104. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

105. No dividend shall bear interest against the company.

106. Where a dividend has been declared by the Company but has not been paid or claimed within 30 (thirty) days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 (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'.

107. Any money transferred to the 'Unpaid Dividend Account' of the 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 along with the interest accrued, if any, 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 by the Board before the claim becomes barred by law.

Accounts

108. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

109. Subject to the provisions of Chapter XX of the Act and rules made thereunder ----

(*i*) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
(*ii*) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(*iii*) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

110. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, in that case this Article authorised and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting 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 and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and 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 and will also be available at the website of our Company at www.prasolchem.com/investor-relations/ from 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 with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated April 13, 2022 between our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated April 13, 2022 between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

4. Cash Escrow and Sponsor Banks Agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Banks, Public Offer Bank and the Refund Bank(s).

5. Share Escrow Agreement dated [●] entered into between our Company, the Selling Shareholders and the Share Escrow Agent.

6. Syndicate Agreement dated [●] entered into between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

7. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended.

2. Certificate of incorporation issued by the RoC dated January 24, 1992 under the name "Prachi Poly Products Private Limited" issued by the RoC.

3. Certificates of change of name dated January 10, 1995, March 26, 2007, June 5, 2017, and February 4, 2022.

4. Resolution of the Board and Shareholders dated February 24, 2022 and March 3, 2022, respectively, in relation to the Offer, including authorizing the Fresh Issue and other related matters.

5. Resolution of the Board dated April 9, 2022 and resolution of our IPO Committee dated April 13, 2022, approving the DRHP.

6. Resolution of the Board dated April 9, 2022 approving our working capital requirements.

7. Copies of the annual reports of our Company for the Financial Years 2021, 2020 and 2019.

8. The Shareholders' Agreements and Amendment Agreements.

9. The 2017 Agreement and Amendment to the 2017 Agreement.

10. The examination report of the Statutory Auditor dated February 24, 2022on our Restated Financial Information, included in this Draft Red Herring Prospectus along with the Restated Financial Information.

11. The statement of possible special tax benefits dated April 13, 2022 issued by the Statutory Auditors.

12. Written consent of the Directors, Company Secretary and Compliance Officer, the BRLMs, the Syndicate Members, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian Law, lenders to our Company, Registrar to the Offer, Bankers to our Company, CRISIL, as referred to in their specific capacities.

13. Written consents each dated April 13, 2022 from C N K & Associates LLP and S. V. Shanbhag & Co. respectively, Chartered Accountants, to include their names as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Joint Statutory Auditors, and in respect of (i) their examination report dated February 24, 2022 relating to the Restated Financial Information; and (ii) the statement of special tax benefits dated April 13, 2022 in this Draft Red Herring Prospectus.

14. Written consent dated April 13, 2022 from JMT and Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered accountants in respect of information certified by them, as included in this Draft Red Herring Prospectus.

15. Written consent dated April 13, 2022 from Aditya Saxena, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the chartered engineer in respect of information certified by him, as included in this Draft Red Herring Prospectus.

16. Industry report titled "*Assessment of the specialty chemicals industry in India"* issued in April 2022, prepared and issued by CRISIL pursuant to an engagement letter dated December 16, 2021, entered into with our Company, and consent letter dated April 11, 2022.

17. Consent letters and authorisations from the Selling Shareholders, authorising their participation in the Offer. For further details, please see "**Annexure A**".

18. Due diligence certificate dated April 13, 2022, addressed to SEBI from the BRLMs.

19. In – principle approvals dated [●] and [●] issued by BSE and NSE, respectively.

20. Tripartite agreement dated January 7, 2022 between our Company, NSDL and the Registrar to the Offer.

21. Tripartite agreement dated December 15, 2021between our Company, CDSL and the Registrar to the Offer.

22. SEBI final 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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Gaurang Natwarlal Parikh
Managing Director

Place: Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Nishith Rajnikant Shah
Chairman and Whole-time Director

Place: Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Dhaval Nalin Parikh
Joint Managing Director

Place: Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Pankil Nishith Dharia
Whole-time Director – Strategy and Business Development

Place: Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Lakshmi Kantam Mannepalli
Non-Executive Independent Director

Place: Hyderabad

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Ajay Motilal Jain
Non-Executive Independent Director

Place: Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Srinivasan Subramanian
Non-Executive Independent Director

Place: Navi Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd-

Ramakrishnan Gopalkrishnan
Non-Executive Independent Director

Place: Navi Mumbai

Date: April 13, 2022

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 SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 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 in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd-

Hitesh Harendrakumar Sheth

Place: Mumbai

Date: April 13, 2022

DECLARATION BY THE SELLING SHAREHOLDER

Each of the LOA Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as the Selling Shareholders, and our portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders for any other statements, disclosures, and undertakings, including any statements made or confirmed by, or relating to, the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED ON BEHALF OF THE LOA SELLING SHAREHOLDERS AS THEIR AUTHORIZED REPRESENTATIVES

Sd-

Name: Nishith Rajnikant Shah

Place: Mumbai

Date: April 13, 2022

Sd-

Name: Gaurang Natwarlal Parikh

Place: Mumbai

Date: April 13, 2022

DECLARATION

I, Kunal Tushar Dharia, jointly with Tushar Natverlal Dharia and Ami Tushar Dharia, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*	*Sd-*
Kunal Tushar Dharia	**Tushar Natverlal Dharia**	**Ami Tushar Dharia**
Place: Mumbai	**Place:** Mumbai	**Place:** Mumbai
Date: April 13, 2022	**Date:** April 13, 2022	**Date:** April 13, 2022

DECLARATION

I, Suketu Navinchandra Parikh, jointly with Lina Suketu Parikh, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*
Suketu Navinchandra Parikh	**Lina Suketu Parikh**
Place: Mumbai	**Place:** Mumbai
Date: April 13, 2022	**Date:** April 13, 2022

DECLARATION

I, Ami Tushar Dharia, jointly with Tushar Natverlal Dharia, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*
Ami Tushar Dharia	**Tushar Natverlal Dharia**
Place: Mumbai	**Place:** Mumbai
Date: April 13, 2022	**Date:** April 13, 2022

DECLARATION

I, Tushar Natverlal Dharia, jointly with Ami Tushar Dharia, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*
Tushar Natverlal Dharia	**Ami Tushar Dharia**
Place: Mumbai	**Place:** Mumbai
Date: April 13, 2022	**Date:** April 13, 2022

DECLARATION

I, Lina Suketu Parikh, jointly with Suketu Navinchandra Parikh, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*
Lina Suketu Parikh	**Suketu Navinchandra Parikh**
Place: Mumbai	**Place:** Mumbai
Date: April 13, 2022	**Date:** April 13, 2022

DECLARATION

I, Dipak Amarshi, jointly with Ushma Amarshi, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*
Dipak Amarshi	**Ushma Amarshi**
Place: London, United Kingdom	**Place:** London, United Kingdom
Date: April 13, 2022	**Date:** April 13, 2022

DECLARATION

I, Bhisham Kumar Gupta, jointly with Rakesh Gupta, acting as Selling Shareholders, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility as Selling Shareholders, for any other statements, disclosures and undertakings, including any 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 SHAREHOLDERS

Sd-	*Sd-*
Bhisham Kumar Gupta	**Rakesh Gupta**
Place: Navi Mumbai	**Place:** Navi Mumbai
Date: April 13, 2022	**Date:** April 13, 2022

ANNEXURE A

DETAILS OF SELLING SHAREHOLDERS

Name of Other Selling Shareholders	Number of Offered Shares	Consent letter
Promoter Selling Shareholders		
Gaurang Natwarlal Parikh (held jointly with Tanvi Gaurang Parikh)	Up to 630,000	March 27, 2022
Kunal Tushar Dharia (held jointly with Tushar Natverlal Dharia and Ami Tushar Dharia)	Up to 100,000	March 28, 2022
Nishith Rasiklal Dharia (held jointly with Sonal Nishith Dharia)	Up to 870,000	March 28, 2022
Rakesh Gupta (held jointly with Veenu Rakesh Gupta)	Up to 50,000	March 26, 2022
Sachin Jatin Parikh (held jointly with Shruti Sachin Parikh)	Up to 315,000	March 26, 2022
Suketu Navinchandra Parikh (held jointly with Lina Suketu Parikh)	Up to 100,000	March 28, 2022
Promoter Group Selling Shareholders		
Ami Tushar Dharia (held jointly with Tushar Natverlal Dharia)	Up to 250,000	March 28, 2022
Bhisham Kumar Gupta (held jointly with Raksha Bhisham Gupta)	Up to 500,000	March 26, 2022
Bhisham Kumar Gupta (held jointly with Rakesh Gupta)	Up to 300,000	March 28, 2022
Chamak Jatin Parikh (held jointly with Jatin Parikh)	Up to 325,000	March 26, 2022
Dipti Nalin Parikh (held jointly with Dhaval Nalin Parikh)	Up to 359,000	March 28, 2022
Dipti Nalin Parikh (held jointly with Nihir Nalin Parikh)	Up to 500,000	March 28, 2022
Gaurang Natwarlal Parikh (HUF)	Up to 250,000	March 27, 2022
Janhavi Nihir Parikh (held jointly with Nihir Nalin Parikh)	Up to 25,000	March 28, 2022
Jignasha Jay Kantawala (held jointly with Jay Shailesh Kantawala)	Up to 150,000	March 26, 2022
Kinjal Pankil Dharia (held jointly with Pankil Nishith Dharia)	Up to 87,000	March 28, 2022
Lina Suketu Parikh (held jointly with Suketu Navinchandra Parikh)	Up to 100,000	March 28, 2022
Nihir Nalin Parikh (held jointly with Dipti Nalin Parikh)	Up to 220,000	March 28, 2022
Pushpa Navinchandra Parikh (held jointly with Suketu Navinchandra Parikh)	Up to 100,000	March 26, 2022
Raksha Bhisham Gupta (held jointly with Bhisham Kumar Gupta)	Up to 100,000	March 28, 2022
Sandhya Nishith Shah (held jointly with Nishith Rajnikant Shah)	Up to 420,000	March 27, 2022
Sheetal Sandeep Parikh (held jointly with Sundeep Navinchandra Parikh)	Up to 100,000	March 28, 2022
Sonal Nishith Dharia (held jointly with Nishith Rasiklal Dharia)	Up to 99,000	March 28, 2022
Suhagi Dhaval Parikh (held jointly with Dhaval Nalin Parikh)	Up to 50,000	March 28, 2022
Sundeep Navinchandra Parikh (held jointly with Sheetal Sandeep Parikh)	Up to 100,000	March 28, 2022
Tushar Natverlal Dharia (held jointly with Ami Tushar Dharia)	Up to 250,000	March 28, 2022
Tushar Natverlal Dharia HUF	Up to 300,000	March 28, 2022
Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah)	Up to 150,000	March 27, 2022
Usha Rajnikant Shah (held jointly with Nishith Rajnikant Shah and Sandhya Nishith Shah)	Up to 1,650,000	March 27, 2022
Veenu Rakesh Gupta (held jointly with Rakesh Gupta)	Up to 250,000	March 26, 2022

Name of Other Selling Shareholders	Number of Offered Shares	Consent letter
Other Selling Shareholders		
Dipak Amarshi (held jointly with Ushma Amarshi)	Up to 200,000	March 28, 2022
Heta T Parikh	Up to 50,000	March 28, 2022
Namita Tushar Parikh	Up to 50,000	March 28, 2022
Total	**Up to 9,000,000**	

**Eligible Equity Shares on a first holder basis have been offered for sale.*